PRESS CONFERENCES

of

THE PRESIDENT

1935 -- Jan. 1 to June 30

Henry M. Kannee,
Official Reporter.

CONFIDENTIAL
Press Conference #170,
Executive Offices of the White House,
January 2, 1935, 10.42 A. M.

THE PRESIDENT: Happy New Year!

Q Happy New Year to you, Mr. President!

Q Notice the expressions on all those faces?

THE PRESIDENT: Yes. (Laughter)

Q We are still alive. Where is Stevie (Mr. Stephenson)?

Q (Mr. Stephenson) Right here.

THE PRESIDENT: They told me you were laid up.

Q (Mr. Stephenson) I was.

Q (Mr. Storm) I am glad these holidays are over.

MR. DONALDSON: All in.

THE PRESIDENT: Well, Happy New Year to you all!

Q (Chorus) Same to you, Mr. President.

THE PRESIDENT: The crowd in the front row looks as though it came through in good shape.

Q Some of them were afraid they were going to live yesterday morning. (Laughter)

THE PRESIDENT: I do not think there is anything much in the way of news except the schedule. As far as I know, I am going up on Friday sometime, whenever the House and Senate finds it convenient. It will be between twelve and three, I imagine, either before or after luncheon, depending a little on what they want, and I will have the Message for you about an hour and a half before that --

MR. EARLY (interposing) Two hours.

THE PRESIDENT: Steve says two hours. We will make it an hour and three quarters. And then Friday afternoon, after the Message has been delivered, if you want to talk about it at the Press Conference, that is all right.

Then Saturday morning I think we will carry out last year's custom in inviting those of you who know the difference between a dollar and a dime to have our financial conference on the Budget, just as we did last year.

Q What hour, Mr. President?

MR. EARLY: At 11.30.

THE PRESIDENT: About 11.30. Meanwhile, you will have been given the Budget Message in strictest confidence about an hour before and the Budget Message won't go up until Monday. Of course, it won't be released until it is actually read in the House, but that will give you over the week end to write your Budget stories.

Q Mr. President, isn't there any chance of getting the regular Message a little before an hour and a half in advance? It is pretty tough in the afternoon, though not so bad for those who write for the morning papers. If we could have a little more time it would be a great help.

THE PRESIDENT: I will try to make it three hours. Do you think that is sufficient? (Turning to Mr. Early)

MR. EARLY: You gave me fifteen minutes and you gave him an hour. (Laughter)

THE PRESIDENT: If it is written by then. It is not written yet. It is still in draft form.

Q Do you plan to see the Congressional leaders this week?

THE PRESIDENT: I think they are coming in on Friday evening, some of them, just a few. It is not a formal conference, they are just dropping in to talk about the things in the Message and legislation in general.

Q Are they coming in individually or all together?

THE PRESIDENT: Four or five from each House, I think. I cannot have more because it is upstairs.

Q Mr. President, what are the facts behind this alleged hint from the White

House on Glavis and Burlew?

THE PRESIDENT: I think it is made out of whole cloth. I never heard about it until I read it in the paper this morning. Of course, there are complaints that come in about almost everybody in Washington from time to time. It looks to me as though it were a story that started somewhere else.

Q Do you have any idea?

THE PRESIDENT: No.

Q Have you any idea in mind as to when you would like the new St. Lawrence Treaty submitted to the Congress?

THE PRESIDENT: I cannot talk about it at the present time because we are not ready on it. We are still discussing things back and forth.

Q Have you received a petition from some local people for a reprieve on somebody to be electrocuted this week?

THE PRESIDENT: There have been a number of letters come in that have been sent over to Justice.

Q They have not come here?

THE PRESIDENT: There has been no report from the Department (of Justice).

Q Has Mr. Baruch's War Profit Committee made any report yet?

THE PRESIDENT: No. I think they are coming here next week for a meeting.

Q Baruch himself?

THE PRESIDENT: Yes, with that committee.

Q Well, I will say, thank you.

THE PRESIDENT: I am sort of holding back, but I have to do it.

Q Just one more question; There was a report in the morning papers that you had written a letter to Governor Allen of Louisiana in which you state that unless certain laws that were passed by the recent legislature were changed, there would be no funds for public works down in that State?

THE PRESIDENT: Oh, it did not say that. Heavens, no.

Q That was the inference?

THE PRESIDENT: No. There were two or three different kinds of forms to suit certain states, that is all, and there wasn't any trouble in any of them.

Q Did you hear from your farm manager?

MR. EARLY: That is about the screwworms.

THE PRESIDENT: No. I may put that in the Message. (Laughter)

Q Have you heard from that survey on taxes?

THE PRESIDENT: No, not yet. I think that is coming in next week.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #171,
Executive Offices of the White House,
January 4, 1935, 4.15 P. M.

THE PRESIDENT: It looks like a full house.

Q Are we to come down today to talk about the Budget?

THE PRESIDENT: Tomorrow morning. What time, Steve?

MR. EARLY: 11.30, sir.

THE PRESIDENT: 11.30. I should think this room would be the thing, if you will sit on the floor. We will have an old-fashioned party confined to the financial writers, and we will talk about the Budget.

MR. EARLY: For Monday's release.

THE PRESIDENT: Oh, yes; for Monday's release when actually up there and being read, whichever House it is read in first.

Q We will get the copies of the Message first?

THE PRESIDENT: You will get the copies of the Message about 9.30 over at the Budget Director's office.

MR. EARLY: I think it will probably be 10.00 or 10.30, I am afraid.

THE PRESIDENT: Steve thinks it will be 10.30 before you get the actual copy.

Q Do we have to know the difference between a dollar and a dime to get in there? (Laughter)

THE PRESIDENT: My boy Jimmy suggested having it early tomorrow morning because if I said to the financial crowd that we were going to spend so many billions, they would not know whether we are spending billions or millions, which is a very happy thought. (Laughter)

Q In your Message, when you referred to holding companies, did you mean the "evil features" of the holding companies should be abolished or the "evils" of the holding companies?

THE PRESIDENT: What did I say?

Q I think in reading it you left out the word "features."

THE PRESIDENT: Feature? Oh! Well, I don't know.

Q Can you tell us what you meant?

THE PRESIDENT: There isn't much difference between "evils" and "evil features."

Q Evil?

MR. EARLY: Evil features.

THE PRESIDENT: I think I said evil features. If I did not, I said evils.

Q That clears it. (Laughter)

Q Can you give us some line on your conference tonight with the legislative leaders?

THE PRESIDENT: Just to go over things in general; nothing specific. Just about the bills and the calendars of the two Houses.

Q What issue will be taken up first in the Senate?

THE PRESIDENT: No idea at all.

Q You do not think that will be decided tonight?

THE PRESIDENT: No, just to talk about general legislation -- twelve or fifteen subjects, maybe more.

Q Will you elaborate your discussion of evils in taxation forms and methods?

THE PRESIDENT: Nothing yet. It is still under study.

Q On the new public works program, are you prepared to say who will administer that?

THE PRESIDENT: No. Only, as to the details, there is one thing I think that you ought to be a little bit careful about: Well, you will see the total figures in the Budget Message tomorrow and I gave a list today of various things. I think you want to be careful not to say, "So many millions for this and so many millions for that," because obviously the total program of that kind requires merely that I give assurance to the Congress

that there were enough different kinds of public works which had been worked out, practical public works, for the amount of money that will appear in the Budget Message.

Now, that does not mean to say that to "A" there will be so many dollars allotted and to "B" and "C", so many dollars. There is a long list of things and it will depend a little bit on the way the actual things work out before we are able to determine the definite allocations in dollars to each project.

Q Mr. President, will you require special legislative authority to use unexpended balances in this program?

THE PRESIDENT: I think that in some cases I do and in some cases I don't.

Q Mr. President, would you care to elaborate on your reference to foreign affairs -- for the establishment of more representative government?

THE PRESIDENT: No. I think that speaks for itself.

Q Under this new public works plan, will distinction be made between unemployed not on relief and unemployed on relief?

THE PRESIDENT: This is primarily for the unemployed now on the relief rolls.

Q There would be some distinction?

THE PRESIDENT: Of course, there is this to remember that in any sum of money spent there is a certain amount which goes to direct labor and also a very large amount which goes to indirect labor, in other words, materials and transportation and things of that kind. It has been estimated, depending on the job, that for every man you put to work directly on a job it means that a certain proportion of other people are put to work on the indirect end of it. When you come down to trying to say how many men are put to work indirectly, it is a difficult thing and depends a good deal on how much goes to direct labor and how much to indirect labor.

Let us take a practical example: Suppose a hundred dollars goes to

a given project, fifty dollars of it to direct labor and fifty dollars of it to materials and transportation. In all probability at least one other person is put to work. Suppose you put one person to work for $50, the chances are that you put another person to work outside of Government employ on labor and materials. That is a very conservative estimate.

A good many people go into the refinements of it and say, for example, taking a simple illustration, that if it is a job for laying pipe and if you spend fifty dollars on direct labor for laying that pipe and the other fifty dollars to employ a man to make the pipe, there is a school of thought that says that both the man who is laying the pipe and the man who made it are spending between them a hundred dollars, which is a good deal more than they are spending at the present time, and therefore, in addition to the extra person who is making the pipe, the two of them between them put perhaps a third person to work through their increased purchasing power. But that is something that is speculative and you cannot tell about it.

Going over this thing with a great deal of care, the safest thing to say is that for every dollar you spend on direct labor or putting it another way for every man you employ directly, one other man is taken on to provide materials, transportation and so forth.

Q Mr. President, does that mean that you are asking the Congress to put 3,500,000 men to work directly?

THE PRESIDENT: Directly, that is right.

Q Can you give us some idea on how that is to be handled? In other words, are you going to let contracts to contractors?

THE PRESIDENT: No contract work, not by contract.

Q By direct work?

THE PRESIDENT: Or by local governments.

Q How far up the scale will you use the unemployed?

THE PRESIDENT: Depends entirely on the job, as far as we can.

Q How long after unemployment insurance becomes a law would it begin to operate

THE PRESIDENT: You will have to wait on that until my message to Congress on the whole security program. I think it will be ready in the course of another week.

Q Can you tell us how you arrive at the figure of 1½ million responsibility of local public and private agencies?

THE PRESIDENT: By checking and re-checking and by what we knew the situation was in 1926, '27, '28 and '29.

Q Is there any assurance that those agencies can take care of that many people?

THE PRESIDENT: Yes, in all probability, because if you look at it in this other way -- quite aside from any other assurances -- take for instance the City of New York: These are very rough figures but as I remember it in the City of New York, the Federal Government is only spending about 60 per cent of the money; the other 40 per cent is being spent either by the City of New York or by the State of New York. Now, this plan for the Federal Government to take care of 3½ million people relieves the state of its share, the 40 per cent share that they are now spending, the state and the city, in taking care of everybody.

Q What happens to be southern states where the percentage of local contribution is around 1 and 2 per cent?

THE PRESIDENT: I think it will encourage them to spend more.

Q They say they are broke.

THE PRESIDENT: Well, that is a relative term.

Q How are you going to differentiate between those two groups? How are you going to take this man out of the group and say, "This is in one class

and that is in another?"

THE PRESIDENT: The criterion is employability. If they are employable, that is fine; we will take them on.

Q If there are five million unemployed, what do you figure that to be in people on relief, 20 million?

THE PRESIDENT: I think it is a grave and serious mistake for anybody to confuse the figures. In other words, I think it is a mistake to take one scale or the other and then to mix them. There has been an awful lot of confusion in the public mind, largely because of newspaper stories. Quite frankly, you read in one paper that there are 5,000,000 unemployed and in another column you read that there are 20 million people unemployed. What does the average layman say when he reads that paper? In other words, I don't care which criterion you take. You can either talk about men, women and children, families, everyone else, in which case you talk in terms of 20 million people, or you can talk about the men who support the families or the women who support the families that are now on relief.

It is a much simpler figure to take the figure that European nations have taken and everybody else has taken and list the people who are the breadwinners of the families. That is why I am opposed to taking 22 million or 20 million or 18 million or any other figure. Let us have one yardstick in all of our stories. There are 5,000,000 people on the relief rolls and that is the simplest way to go about it.

Q But the women and children are not on the relief rolls.

THE PRESIDENT: They are dependent on the people on the relief rolls. In other words, a family that is getting today $10 a week in the form of cash or market baskets, they are getting it because the worker in that family is out of a job. If you once go into the question of how many children there are and their individual needs, your figures will be

interminable. It is much easier to take the one measure.

Q Any estimates as to how long this number of men, 3,500,000 men, can be put to work on this program?

THE PRESIDENT: Let's keep that for later. There is a story in that all by itself. In other words, the best way to answer that, Stevie (Mr. Stephenson), is to say that it does take a long time to get all of these new projects set up and that the objective is the fiscal year 1936. Some will start earlier and some may run over a little bit, but that is the objective.

Q In the meantime then, direct relief this Winter will have to be maintained?

THE PRESIDENT: Yes, either direct or work.

Q My idea in suggesting the five million figure was not to bring in another yardstick into the question; I was trying to find out whether this would clean up the whole problem if five million were employed.

THE PRESIDENT: That is what we hope.

Q There are a number of women on these relief rolls. What could they do on a program like this?

THE PRESIDENT: We hope they will fit in.

Q I don't want to crowd the calendar, but do you think you are going to the Pacific Coast this summer?

THE PRESIDENT: You are just one jump ahead of the game.

Q Will you comment on the report that you have asked the Navy to make a cruiser available in case you go?

THE PRESIDENT: I have not asked the Navy.

Q As to your Executive Order today, you may know that Government employees are working up sentiment in Congress to restore their pay as of January first. Assuming they are successful in Congress, have you anything to say on that right now?

THE PRESIDENT: I think this had better be off the record because it will spoil the Budget story. In the Budget there is a distinct statement that I see no reason for extending the 5 per cent payment back to the first of January for two good reasons: The first is that on these figures made public today, the cost of living has not gone up anywhere near the 5 per cent reduction and the second reason is that, in all human probability, the cost of living won't go up in the course of the next fiscal year to beyond the 5 per cent reduction.

Q That is off the record?

THE PRESIDENT: Yes, because it is in the Budget Message, so keep it for that story.

Q Will you give us your idea of the sequence in time of the specific messages to go up later?

THE PRESIDENT: I'm going to talk about that tonight. Of course, obviously, the appropriation to start this work program will be one of the first things because, as you know, the relief money runs out fairly soon.

Q In that connection, will there be a specific legislation on this work relief program?

THE PRESIDENT: Oh, yes; there has got to be. I need the money.

Q You refer in your message to a new coordinating authority to take charge; will that be a new agency?

THE PRESIDENT: You will have to wait until we get a bill passed.

Q What are the names of the gentlemen who have been invited in tonight?

THE PRESIDENT: I don't know. I asked the Speaker to bring half a dozen of them.

MR. EARLY: Senator Robinson has announced them on the Hill.

THE PRESIDENT: I don't know who is coming. There will be about six from each House.

Q Will it be a bi-partisan conference or Democratic?

THE PRESIDENT: After all, why draw the distinction now? (Laughter)

Q This morning I believe you said that you would not want the wages the Government would pay to be sufficiently high to keep wage earners from going back into private work, that you had decided to set an average of maximum of Government pay?

THE PRESIDENT: No, that has not been taken up but there are two principles: Higher pay than relief but not sufficiently high to take people out of private work.

Q Would that policy affect contracts under PWA?

THE PRESIDENT: No; any contract that has actually been let stands.

Q Anything under contract would be at the prevailing wage, the same as the prevailing contract?

THE PRESIDENT: What did you say?

Q Did you say there would be a distinction between wages under the contracts --

THE PRESIDENT (interposing): What I said was that contracts already made will, of course, stand.

Q Will you tell us what is meant by the term, "old age pension?"

THE PRESIDENT: What is that?

Q Old age insurance.

THE PRESIDENT: That is coming. I cannot tell you the details yet.

MR. STEPHENSON: Thank you, Mr. President.

(The Press Conference adjourned at 4.30 P. M.)

CONFIDENTIAL
Press Conference #172 -- Budget,
Executive Offices of the White House,
January 5, 1935, 11.37 A. M.

THE PRESIDENT: Well, we are all here.

I want it distinctly understood when I say billions, don't think I said millions; I am really talking about billions.

Steve (Mr. Early) suggested that I repeat what I said yesterday, that anything I say here is not for writing up in any shape, manner or form until after the thing is sent to the Congress on Monday. I suppose it will be presented in one House or the other at noon on Monday. As soon as it is read it will be released.

We have tried to make the Budget this year so simple that even I can understand it. We have tried to take it in an orderly way.

The first part relates to known figures -- in other words, to the fiscal year 1934. We have all those figures. They appear on page V and VI.

Then there is a discussion of the economic situation in the fiscal year 1934, I should say beginning with the summer of 1933 and carrying through into the fall of 1934, or, in other words, bringing it up to date, or half way through the fiscal year 1935.

Then, on page VIII you come to the actual figures of the fiscal year 1935 which, however, can only be certain figures for the first six months -- in fact, less than that, I think the first of December because, of course, the final figures for December were not ready when the Budget Message was prepared. The remaining seven months are necessarily estimates rather than actual figures.

Then on page X we come to the budget for the following year and it seems to me that the easiest way of talking about this budget is to concentrate more or less on the table at the foot of page X, which gives the

comparison of the 1934, which are actual figures, with the 1935, which is seven-twelfths estimate, and the 1936, which is all estimate.

Then the other important table is the first table at the end of the General Budget Summary in the supporting schedules, page A-3, that is the first page of the Summary, which shows the Budget Summary Tables for the three fiscal years.

Going back to page X, we break down the figures in the Summary and also, on page XI, we show the details of receipts. On pages XII and XIII we have a breakdown of the expenditures, and on page XIII we speak particularly of the continuation of emergency agencies and of the economy legislation.

On page XIV we speak of improvements in the form of the Budget and on page XV of better methods of fiscal control.

I think possibly the easiest thing to do is to go back to page X and take that table at the bottom of the page.

The regular receipts, the normal receipts of the Government in 1934, were $2,763,000,000; in 1935 it is estimated they will be $3,123,000,000, and in 1936, assuming we keep the present emergency taxes on the books for another year, the regular receipts ought to be $3,422,000,000.

Coming to the expenditures, the regular departments and establishments, in 1934 they were $1,086,000,000, in 1935 they were $1,235,000,000 and it is estimated that for 1936 they will be $1,622,000,000. A little later on I will explain the increase in the regular departments. I have put a great many things in the regular departments that used to be carried in the emergency expenditures.

The veterans' expenditures go up from $556,000,000 in 1934 to $610,000,000 in 1935 and $740,000,000 in 1936. That is due in part to the regulations issued by the Veterans' Administration and myself and in

part, also, to the legislation of last spring.

The interest on the national debt goes up slightly, $757,000,000 (in 1934), $835,000,000 (in 1935) and $875,000,000 (in 1936). The rate of interest, on the other hand, has gone down.

On tax refunds, $63,000,000 (in 1934), $68,000,000 (in 1935) and $65,000,000 (in 1936).

The total regular expenditures go from $2,462,000,000 last year to $2,748,000,000 the present year, and in 1936 to $3,302,000,000.

Coming to the second division, "Recovery and Relief," the AAA processing taxes are slightly lower for the coming year than what we estimate they will be for this year. The expenditures, including refunds of processing taxes, are definitely down in 1936 from what they are expected to be in 1935. They come down from $788,000,000 to $472,000,000. The excess of expenditure over taxes in this division shows for the fiscal year 1934 an excess of taxes of $63,000,000; this year a deficit on taxes of $199,000,000, and for 1936 the excess of taxes over expenditures will be $98,000,000.

Coming to No. 2, "Other recovery and relief expenditures," in 1934 they were $3,993,000,000; in 1935, the current year, we think they will be $4,472,000,000 and in 1936 we think they will be cut to $4,110,000,000. That is the big item that I referred to yesterday in round figures for the new work program -- in round figures $4,000,000,000, as some of you discovered quite early this morning or late last night.

In other words, the total recovery-relief expenditures for the fiscal year ending last June were $3,930,000,000; for the current year, $4,671,000,000 and for the following fiscal year there will be a cut of over $650,000,000, down to $4,012,000,000.

The total expenditures, exclusive of debt retirements, of the Govern-

ment for 1934 were $6,392,000,000; for 1935, the present year $7,419,000,000 and slightly less for next year or $7,314,000,000, which is what we hope is a beginning of a series of annual reductions.

The net deficit, therefore, for the Government in 1934 was $3,629,000,000 plus debt retirements or a total of $3,989,000,000. The deficit for 1935, the current fiscal year, is estimated at a net of $4,296,000,000, with debt retirements of $573,000,000 or a total gross deficit of $4,869,000,000. For 1936 the net deficit is estimated at $3,892,000,000, plus debt retirements of $636,000,000 or a gross deficit of $4,528,000,000, which is nearly $350,000,000 less than the current fiscal year. We worked very hard to get it at a lower figure and I think we have done it.

Then, going back to the General Budget Summary, at the end, it is worth picking up one or two figures in there. (Referring to page A-3) On receipts -- I just call your attention to the fact that the three columns are transposed, 1936 in this tabulation is the first column instead of the last column. Suppose we take the last column first, which is the way I would do it although the modern accounting methods put the following year first -- why I never understood and neither does the Director of the Budget but the public accountants say it ought to be done that way. Taking the last column first, the internal revenue receipts were $2,640,000,000 (for 1934); $3,197,000,000 (for 1935) and estimated $3,443,000,000 (for 1936). The customs were $313,000,000. for 1934; $287,000,000 for 1935 and (estimated) $298,000,000 for 1936. Miscellaneous revenues were $152,000,000 for 1934; $217,000,000 for 1935 and (estimated) $171,000,000 for the following year, 1936.

The totals run $3,106,000,000 for 1934; for the present year (1935), $3,702,000,000 and for the next, the following year, $3,912,000,000.

Realization on assets was only $8,000,000 in 1934; $9,000,000 for the present year, and we hope next year it will be $78,000,000. So the total receipts were $3,115,000,000 for 1934; $3,711,000,000 for 1935 and (estimated) $3,991,000,000 for 1936.

Breaking down the expenditures, the legislative, judicial and executive departments remain practically constant with $32,000,000 for 1934, $36,000,000 for 1935 and $36,000,000 for 1936. The civil departments and agencies were $573,000,000 for 1934, $566,000,000 for 1935 and $788,000,000 for 1936. The reason for that increase is chiefly items which might be called public works items, which were carried as emergency items but which it is probably not fair to carry as emergency items because every year we will appropriate at least that amount for new public buildings, highways and TVA. I am putting TVA into the regular expenses of the Government this year for the first time, the reason being that the present outlook is that for three or four years to come TVA will require a regular annual appropriation of somewhere around, just roughly, $50,000,000 a year.

Q How much?

THE PRESIDENT: $50,000,000 a year.

That item also, the increase of 1936, is due to the fact that we have put rivers and harbors into the regular budget instead of leaving it as pork barrel legislation in a separate item or as emergency. In other words, we have to keep up our rivers and harbors and the average expenditure on that for a great many years has been somewhere around sixty or seventy million dollars a year.

National defense, in the fiscal year 1934, was $479,000,000. The Army got very little that year and in that year we started bringing the Navy back to treaty strength, but that item appeared in the emergency budget and came out of Public Works. The same way this past year, while

we put some Army and some Navy items into the regular budget, we also took out of Public Works some additional money for increase of the Navy. During the next fiscal year we are putting all of the Army and Navy expenditures into the regular budget, hence the increase from $612,000,000 to $792,000,000, an increase of $180,000,000, caused solely by Army and Navy expenditures.

Q Can you tell us right there what the amount charged up to public works was for the Navy during this fiscal year?

THE PRESIDENT: Roughly, $150,000,000.

Q The Treasury report showed $106,000,000 for national defense under emergency and that would raise the aggregate to something more than $900,000,000?

THE PRESIDENT: The Treasury report?

Q The Treasury report allocated to national defense.

THE PRESIDENT: In what year?

Q 1936.

THE PRESIDENT: 1936?

Q Under the heading of emergency expenditures. That is in addition to the 700 million plus.

MR. BELL: That is right.

THE PRESIDENT: That is to carry on, during the following fiscal year, the ships that were laid down last year.

Q It is old money?

THE PRESIDENT: It is the old program. Actually they are ships being built at the present time.

Q That comes out of the 150 million that is part of that?

THE PRESIDENT: Yes.

Veterans' benefits: That is up again, because of Executive Orders and because of last spring's legislation, from $545,000,000 this year to

$704,000,000 for the fiscal year 1936.

Debt charges -- we have talked about that already -- $835,000,000 for this year and $875,000,000 for next year; that is interest. Retirements, $572,000,000 has gone up to $636,000,000 for the year 1936.

Refunds remain practically the same.

Recovery and relief has gone this year up from $4,283,000,000 (for 1934) to $5,259,000,000 (for 1935) and the following year it comes down from $5,259,000,000 to $4,582,000,000.

Supplemental items --

Q (interposing) On recovery and relief, is that broken down any place?

THE PRESIDENT: Yes. Where is that broken down?

MR. BELL: Schedule 3.

THE PRESIDENT: Schedule 3.

Q Schedule 3 takes care of the past but I do not see what it does for the future.

THE PRESIDENT: Well, out of your $4,582,000,000, $4,000,000,000 is for the employment program and $582,000,000 is carryover from existing appropriations. I guess that is as near as I can give it to you, offhand.

Q $582,000,000 would be continuing public works projects now going and appropriated for?

THE PRESIDENT: I suppose so.

MR. BELL: That is right.

THE PRESIDENT: $400,000,000 is RFC and $180,000,000 must be something else.

Q Are the camps in the relief program, the CCC?

THE PRESIDENT: They are in the $4,000,000,000, yes.

Then, to come back to the General Budget Summary again, it shows the deficit for 1934, for the current fiscal year and for 1936. For 1936 it is $4,528,000,000, which shows $340,000,000 better off on the deficit

than the present year.

Then, on means of financing the deficit, it means in effect that this current fiscal year that $263,000,000 will be financed out of money already in the Treasury and that the Secretary of the Treasury has borrowed or will borrow $4,606,000,000. In the next fiscal year (1936) we will use $739,000,000 out of the Treasury and only have to borrow $3,788,000,000. That is the easiest way of putting it.

(The next question, which was inaudible to the stenographer, asked about the increase in special funds.)

THE PRESIDENT: Because, I think starting about 1930 or 1931, these various funds that ought to have been set up each year were not set up. I think they dropped them out of the Budget altogether in the 1933 Budget. They reduced the adjusted service and they reduced the employees' compensation funds so that on the maintenance of those funds the Government was running behind definitely every year. Last year we increased slightly and this year we have increased some more. It is quite a sharp rise this year but we haven't got it back to what it ought to be and we hope in another year to put the whole amount in that ought to be put in. We have not the actual requirements on it. As I said in the Message itself, we haven't sufficient figures to give a definite answer but we know that we are not quite high enough this year but a whole lot better than it was last year.

Q Can you explain why, on the General Budget Summary, this means of financing the deficit, in the working balance there is a decrease of almost $500,000,000 and it does not explain it in this chart on page 4?

THE PRESIDENT: That is the extra amount of money we have in the general balance fund of the Treasury.

Q I am trying to find out why there would be that amount in the Treasury. Are you going to make use of the exchange and other profits?

THE PRESIDENT: Oh, no. As I understand that thing on the General Budget, we

use more money that we have in the Treasury the following fiscal year than we do this year. In other words, at the end of the year we will have less balance than we have this year, so that we won't carry such a big surplus in the Treasury as we are carrying at the present time.

Q The general balance fund in the Treasury, as shown by Schedule 4, was less in 1936 than in 1935 and yet, in your summary, you show $500,000,000 more.

THE PRESIDENT: On that line there (indicating) the total working balance is less than 1936 by $300,000,000.

(At this point, Mr. Bell briefly discussed the figures with the President.)

You see that increase, plus your decrease, makes your working balance _739 millions in 1936 as against _263 millions in 1935.

MR. BELL: You are starting with the general balance at the beginning of the year and you drop down to the bottom and you get the 739 millions.

Q Several of the credit agencies, like the RFC and the FCA and the Commodity Credit Corporation have nothing listed for them in 1936. You spoke in your general Message of tapering off some of those things. Is that what it means?

THE PRESIDENT: The RFC has the authority to use or release the money coming in on the repayment of old loans. They have that authority today. In other words, on RFC we think the receipts will take care of the expenditures.

Q That means they are wash items?

THE PRESIDENT: That is right.

Q Does that hold for the FCA and the Commodity Credit?

THE PRESIDENT: Same thing. The only question, and it does not appear in the Budget at all, is on HOLC and we have not any definite determination on Home Owners' Loan Corporation as to whether we will give them an additional credit for the coming year. That is not an expenditure -- it is not listed as an expenditure.

Q How would that be listed?

THE PRESIDENT: Under contingent liabilities on the debt end of it.

Q Does that add to the national debt? Suppose you authorize another billion dollars for Home Owners' Loan, does that figure in the bookkeeping as part of the national debt?

THE PRESIDENT: You can and you can't. You can debate (the point) for two hours either way.

Q Expenditures under Agricultural Adjustment legislation -- any details?

THE PRESIDENT: I do not think there are any details on it. It is the estimate of the AAA -- they expect to have a balance the coming year. Dan (Mr. Bell) says there is a lag in the collection of those taxes -- there has been up to the present time, during the current fiscal year, there is quite a lag and that will come back and give us a plus figure over 1936. It ought to wash out.

Q A year ago you looked forward to 1936 as being the year when the Budget might possibly be balanced?

THE PRESIDENT: Ought to if we could and we couldn't.

Q Are you looking forward to another year when it might well be?

THE PRESIDENT: I hope so. Hope springs eternal. We hope this year, having shown a smaller deficit for 1936 than for 1935, we hope the following year, with this program of unemployment, we will cut that as much as we can.

Q You look forward to a series of reductions, year by year?

THE PRESIDENT: Yes. And then of course there is this other thing, and do not forget this, the thing that nobody can do more than speculate on. I emphasized yesterday the fact that this employment program ought to be so planned and carried out that, as fast as people get back to private employment, we will reduce the actual public works. So there is always the hope in here that this deficit for 1936 will not be always what it

actually is estimated to be in the 1936 budget.

Q Does that apply to self-liquidating projects?

THE PRESIDENT: Yes.

Q, How much is the spending behind the actual authorizations, say to next year, June 1936? You say the deficit will be $31,000,000,000. Will that include everything authorized up to that date or how much more authorized by the Congress is not included in that? Is there any way to estimate that?

THE PRESIDENT: I don't believe it is possible. We thought last year the money would be spent a lot quicker than it was this year. We hope it will be spent in accordance with the figures.

Q The PWA are away behind their allotments right now. Is it contemplated that the $4,000,000,000 may be increased by including the unexpended balances?

THE PRESIDENT: No. They are all allocated and out on contract, in fact.

Q You won't get them back?

THE PRESIDENT: No. Anything that has been allocated is a contract and has to be carried through.

Q In that $900,000,000 set aside for current relief this year, until the work relief program comes in, which is to be a reappropriation of unexpended balances, in that reappropriation of unexpended balances, is there any conversion of funds which were originally appropriated to be used as loans, such as the RFC, and which have been repaid, is there any conversion of repaid loans into direct expenditures?

THE PRESIDENT: In that $900,000,000, or $880,000,000, we are taking $500,000,000 from RFC. It is a little difficult to say whether that is an original appropriation or apparently money paid back. It is all in the same pot. They have the power to lend out that $500,000,000 and we are taking it

away from them and using it for relief. Actually, they do not think they need it.

Q There was a statement in this Economy Association's estimate of what the accounts should be for the next year -- they made the statement that during the next calendar year the RFC would collect back a billion dollars more than they expended. Is that an accurate statement? Is there such an expectation?

THE PRESIDENT: I do not know that there is anything to base it on. I think that crowd got the idea in making that -- this is off the record -- they got the idea that all this money that Jesse Jones loaned out on preferred stock, that the bank would repay it. Now, some of the banks want to and some of them don't. I don't know; it is anybody's guess as to how much of that will be repaid, whether they will buy that stock back or not.

Q In the future loans of RFC, for making up the Budget do you allow for any repayments to RFC in excess of what RFC might use in the course of the year?

THE PRESIDENT: We (RFC) don't get any more money.

Q I mean on returned money to the RFC. I wondered if you would allocate any such item in the current Budget or whether that would be an item in excess --

THE PRESIDENT (interposing) As I said, we are taking $500,000,000 from RFC. Now, that leaves them everything else they get in the way of repayments, if their life is extended, to lend out again.

Q Where does the other $400,000,000 come from? You say you are taking $500,000,000 from RFC; where does the balance come from?

THE PRESIDENT: It comes from a lot of places. Some comes from Public Works, some from Hopkins himself, which he had allocated to items not ready to shoot, and some from AAA. I do not know -- there must be fifteen or

twenty items.

Q Has any of that come from the amount allocated to the Treasury?

THE PRESIDENT: No. I think all of that is under contract at the present time and those will be carried through on the present basis. All the public buildings will go right on.

Q How long is this figure to run? Senator Robinson spoke last night and said it would be to the first of November, speaking about the 880 million figure.

THE PRESIDENT: No. The $880,000,000 is expected to carry relief, as such, through the first of July. Now, as a matter of fact, as I explained to Senator Robinson last night, in getting into this big employment program, there are some projects that we can get under way beginning, say, the first of April and we will gradually transfer people on relief over to work and we hope to get the full employment program under way and the relief program ended by some time in the fall because, on a great many of these projects, you cannot tell how soon they will be started because they involve engineering and the purchase of land. Others do not require that and can be started earlier.

Q How long would it take to segregate the employables and the unemployables?

THE PRESIDENT: Oh, that is a comparatively simple thing. I don't know. We have not any machinery for it because we have the local lists. We take the local lists and it is a pretty easy thing to find out whether a man is employable or not.

Q Is it correct to say to expect the $880,000,000 will be all you require for direct relief?

THE PRESIDENT: Yes. Some of it may not be spent by the first of July but there may be some direct relief needed after the first of July and we think that is all that is needed.

Q You asked for a lump sum appropriation of $4,000,000,000. Who allocates the four billion? (Laughter)

Q On that point, it has been anticipated that work relief will be more expensive. Will you explain to us how you hope to make a reduction of recovery work when you go into the work relief program?

THE PRESIDENT: You have the drought appropriation of $525,000,000; you have all sorts of things that appear in that item last year that won't appear again.

Q That included Public Works and TVA?

THE PRESIDENT: Yes.

Q Coming back to these loans a moment, if those loans in the first instance were all treated as expenditures, as appropriations for money to be loaned --

THE PRESIDENT (interposing): You mean the RFC loans?

Q Yes. Isn't there a possibility of a very rapid improvement in the budgetary situation when these repayments begin to come in in large volume? Won't they then have to be treated as receipts if there is no further demand for relending?

THE PRESIDENT: Yes, that is perfectly true. Of course, I do not want to cut off the lending power in the future because you always have to have some kind of a club, quite frankly, over private capital.

Q Any rough estimates as to the allocation?

THE PRESIDENT: No. I asked them last night not to try to itemize them. I think I said yesterday afternoon, at the Press Conference, that if you once start to itemize, you are sunk. I hope they will make the appropriation for the general objects listed in the Message yesterday. It is perfectly impossible to tell. I think I said that yesterday afternoon. Suppose, for the sake of argument, that a certain portion of the $4,000,000,000 is to be allocated to municipal, state or district public works and we think

at the present time that we can allocate, let us say, a billion dollars for that purpose. When we come to the actual projects themselves, it might run less or it might run more, or something that we now think is going to be a useful project in the sense that it will give a large percentage of direct labor, it might not work out, or something else may work out better than we expect and there you make a shift of funds.

Q Do you contemplate keeping a control of funds turned over to municipalities and states?

THE PRESIDENT: Oh, yes. This whole thing does involve, necessarily, the setting up of a pretty careful inspection organization. When we loan under the new plan to municipalities, for example, the general plan is that instead of using the loan and grant method -- 70 per cent loan and 30 per cent grant -- on which the Government will get back 70 per cent of the money at 4½ per cent interest, there won't be any grant, it will be all loan, 100 per cent loan, but we hope to make those loans at an interest rate which will repay the cost to the Government. In other words, if the Secretary of the Treasury is able to borrow money at 3 per cent, we will let the municipality have the money at 3 per cent or 3 1/16. I suppose he will want to cover his overhead.

Q Mayor LaGuardia, on that point, on some big loan he wanted for the City of New York, he said the money would be loaned to them at 3/8 (of 1) per cent.

THE PRESIDENT: The Mayors' Conference had a grand thought that we should lend the money to all the cities in the United States at an eighth of one per cent. It is a very happy thought.

Q There is no provision, as such, for any contribution to old age pension or old age insurance or unemployment. What does that amount to?

THE PRESIDENT: Not so much as you expect. It is not a serious figure. I do not think I should talk, either on the record or as background, because

that is going to be the subject of a special Message. As it works out -- I say this off the record -- as it works out it is not a startling figure, the contribution of the Federal Government, to get the whole show started. It is comparatively small and even in future years it does not amount to very much. I told some of them last night about it and they were quite surprised that the cost to the Federal Government is so low.

Q I assume, then, that you have not adopted the Townsend Plan?

THE PRESIDENT: Not yet. (Laughter)

Q You said yesterday that the work would be carried out without the supervision of contractors. It would not be done through contractors?

THE PRESIDENT: Not through contractors.

Q How about a large bridge through Public Works? Would the work be done without a contractor?

THE PRESIDENT: I suppose it is a perfectly practicable thing to hire a bridge-building organization. That is about the worst example you could give me. We would have to hire the organization, in other words the supervisory people, in order to handle that portion of the work where you have to employ skilled men whom you might not be able to get off the relief rolls. If you cannot get them off the relief rolls, you will have to employ them on the outside, but any labor and all that element that enters into it, they would have to come off the relief rolls.

Q Suppose a bridge were to be built by the City of New York with Federal money, would the payment for services be directly from the Treasurer of the United States to the persons working?

THE PRESIDENT: No, no; through the City of New York.

Q In the lending of money to states and municipalities out of this fund, where those states and municipalities are prohibited by their constitutions from borrowing money, will there be some special provision in the new

scheme to take care of them?

THE PRESIDENT: It does not present any problem that we are not up against at the present time and a good many states are coming around to the idea of setting up an authority.

Q Suppose a state which has a serious unemployment problem refuses to borrow from the Government? We have been getting our problem of unemployment -- it has been handled by relief, by the FERA, and they have just refused to borrow money from the Government.

THE PRESIDENT: Then we go ahead and do direct work, if we can find useful work in that vicinity.

Q Can you give us some background as to what the prospects are, as you see them today, for getting a balanced budget sometime in the future? (Laughter)

THE PRESIDENT: I would love to, on the record or off the record, but the difficulty is this: Last year I said very distinctly in the Budget, "I hope and we ought to make every effort to get a balanced budget for 1936." Whereupon a whole lot of special writers have been announcing ever since that I had promised to balance the 1936 budget and, well, I didn't do any such thing. I expressed the hope -- isn't that right, Mark (Sullivan)? (Laughter) I expressed a very pious hope.

I don't want to say anything now that is going to limit me next year. I hope, from now on, that the deficits will decrease each year. That is about as far as I can go.

Of course, there is this about it: This general program does look to the objective of putting three and a half million employables to work and that means another three and a half millions that we hope will be taken care of in private employment, turning out the materials and transportation and other things to carry this thing through.

Now, you always have certain problems, darned difficult ones, for the

future. You take, for instance, the building trades: There has been an awful lot of discussion by a certain school of thought about the heavy industries. The best illustration I know is that when a gentleman, a bank president, from Chicago came in to see me about two or three months ago, he started the same line about heavy industries and building trades, referring especially to them. Now, I do not know how many thousands of building trades people are out of work in Chicago and what, if anything, we could do for them. I said, "I am going to ask you a simple question: You are a banker. In 1927, 1928 and 1929 how many skyscrapers in Chicago were going up on the average at one time?" He said, "I suppose there were ten or fifteen of them;" "How many people were being given direct work on each of those buildings?" "I suppose a thousand men were being given direct work." I said, "That is one city and I am talking about office buildings. Is that right." I said, "You are a banker. Suppose I come to you as a Chicago investor, and I want to put up a new office building, provided you lend me $5,000,000?" He said, "Half the office buildings are empty."

I said, "All right, how about first-class apartments? How many were being built in 1927, 1928 and 1929?" "Oh," he said, "there were twenty or twenty-five going up all the time." "How many people did they employ?" "Five hundred, six hundred or seven hundred people apiece of direct labor." I said, "Would you lend me money to put up a new first-class apartment in Chicago?" He said, "Not on your life." I said, "Why?" "Because they are only forty or fifty per cent occupied."

"How about storage warehouses?" He said, "The same thing."

I said, "How about first-class hotels?" He said, "That is even worse. If we did not have a World's Fair in Chicago they would all be bankrupt."

I said, "We have been talking about one city and one class of buildings. If you multiply that all over the country, in every city of 25,000 people

and over, you will find mighty few new office buildings or apartment houses or storage warehouses or anything else built in the next five years." He said, "I guess that is right."

"Now," I said, "we are talking about direct labor, the people working in cities. How about the U. S. Steel Corporation, Inland and Bethlehem, et cetera, that make the materials that go into the buildings, the cement people, et cetera. That is indirect labor. Aren't they hit just as much as direct labor is hit?" He said, "Absolutely."

Now, let us go a step further: I have talked about this to some of you before. You take General Electric, Westinghouse, Allis Chalmers. They say that all their consumers' goods have gone up splendidly, splendid increase all along the line, electric light bulbs, et cetera, but when it domes down to the question of a new turbine, or a new big generator, there is not as much demand as there was in 1927, 1928 and 1929. You go and ask Owen Young or anybody else about this; pretty nearly everybody is in agreement. There is a certain amount of demand, properly, for replacements or for obsolescence, putting in a certain amount of new machinery, but not nearly as much as that school of thought imagines.

It will be a gradual process. The heavy industries, the building trades have not a particularly bright future for the next few years until replacements are actively demanded and have to be made. I think that probably is the best way of explaining one of our major troubles, the heavy industries and the building trades.

Q May I ask, in that connection, if you have fixed in your own mind any limit beyond which the public debt ought not to be permitted to rise? That is, is there a point at which we have to start increasing taxes to cover expenditures if this continues?

THE PRESIDENT: I will ask you a question: Suppose, in 1937, we should find

this country in a situation where there were five million people starving -- starving -- what would you do if you were President? Would you let them starve in order to keep the public debt from going beyond a specific amount of debt in 1937?

Q Of course not, Mr. President.

THE PRESIDENT: There you are; I don't know.

Q Apparently there is to be no increase in taxes. What is your thought on taxes? Why not increase taxes this year to take up part of this increased expenditure?

THE PRESIDENT: In the first place, we are asking that all present emergency taxes be made permanent, and, in the second place, no human being can tell what the Congress is going to do with respect to appropriations, so I have not got to the point where I am going to say anything on taxes. I hope there won't be much increase. It ought to be kept to a very low increase, if any.

Q It does not follow at this time that you are precluding the possibility at any time of asking for more taxes?

THE PRESIDENT: You cannot tell what Congress might do in the way of appropriations and, of course, if they appropriate money, they have to find the money.

Q Are you saying that with the bonus in mind?

THE PRESIDENT: Perhaps you had better not discuss bonus on the record but, on the other hand, if any legislation comes through that calls for expenditure of a lot more money than is provided in the Budget, then it is the duty of Congress to find the money.

Q One of the nuisance taxes has already expired, that on bank checks. Is it the idea to let it die?

THE PRESIDENT: That is to be seen.

Q That is not to be renewed?

THE PRESIDENT: Personally, I wish they would renew. It is a tax that most people do not mind and can afford to pay but, for some strange reason, there is a kick about that two per cent tax all over the country.

Q You can't keep your account straight. (Laughter)

Q From your study of taxation, doesn't the increase --

THE PRESIDENT (interposing) We think we will tighten up on taxes, the dollection of taxes.

Q One more general question: You said in your Message yesterday that this is within the range of sound credit of the Government. I assume it is safe for us to assume that you do not anticipate that there will be any necessity for inflationary action until the end of the fiscal year?

THE PRESIDENT: There won't be on this Budget; that is perfectly sure.

Q On the veterans' legislation, on page XI of the (Budget) report, a little over half way down:

> (Reading)"An effort will be made during the coming year, however, definitely to establish the Government's annual liability, the amount of which will be included in the 1937 Budget. Likewise, an increase of $50,000,000 is recommended in the veterans' adjusted-service certificate fund, thus bringing the total annual contribution to this fund up to $100,000,000. The actuarial requirement of the fund for 1936 has been estimated at $155,000,000."

Can you tell us what is in the till now -- how much has been accumulated?

THE PRESIDENT: Have you those figures, Danny (Mr. Bell)?

MR. BELL: There is about $150,000,000 in public debt obligations and there is about $1,200,000,000 in loans to veterans.

Q Mr. President, this Budget shows a prospective total of public debt of $34,238,000,000 at the end of the year, the fiscal year 1936. But there are some offsets, actual and possible, against that figure. What are the offsets against that?

MR. BELL: What offset?

THE PRESIDENT: Repayment of loans and things like that.

MR. BELL: The repayment of loans is in this Budget as a net figure. In other words --

THE PRESIDENT (interposing) On the total debt of $34,000,000,000, how much would the Government get back?

MR. BELL: We have not got that here.

Q The assets owned by the Government, aren't they an offset?

THE PRESIDENT: They have not beenput in.

Q The gold profits, et cetera?

THE PRESIDENT: One reason is this, that last year we had a long discussion as to how we would value possible repayment of loans. One school of thought said, "Don't value them more than fifty cents on a dollar," and another school valued them at a hundred cents on the dollar. The result is that I am not making an estimate.

The situation changes from month to month. All I can tell you is that Jesse Jones thinks he will get 100 per cent back of his capital and in that would be included interest, which might mean he would only get 90 to 95 per cent of the capital back but the interest would bring it up to 100 per cent.

The Home Owners' Loan Corporation thinks that they are going to get, with interest, the whole thing back.

The Housing Administration thinks, as an insurance proposition, they will pay back the 100 per cent.

The Farm Credit, with interest, thinks they will give back 100 per cent

However, I am not figuring it because it is one of those things where I do not want to make a promise because some may go sour.

I think it is important -- I was talking with the members of the

House and Senate last night -- to make it perfectly clear that we are not going to stand for any minority, like the veterans, who will seek to have an obligation forgiven by the Government. We are going to collect the money that is due the Government and we are certainly not going to stand for any effort by minorities or anybody else in trying to have debts forgiven to individuals.

Q There is a statement in your Message here in regard to the expenditures during the fiscal year 1934 as to what are repayable and not repayable, with loans averaged at $732,000,000.

> (Reading from page V) "Loans amounted to $732,000,000 and subscriptions to capital stock and preferred shares to $826,000,000 making a total of $1,558,000,000 which may be regarded as repayable expenditures made during the fiscal year 1934."

Now, that is really an offset against the public debts. That has not been charged off?

THE PRESIDENT: No.

Q What ever became of those loans to states for relief that the RFC made? Are they considered as assets or have they been wiped off by common consent or by legislation?

THE PRESIDENT: That is two years ago; I do not know what became of that.

MR. BELL: The grants to the states for public roads should be deducted from those loans, and that was repealed last year, so there is no provision for repayment at the present time.

THE PRESIDENT: The other thing I was thinking of is worth analyzing. I have talked about the deficit being lower for 1936 over 1935. Page X relates to the fact that this particular Budget for the year 1936 balanced and a little bit more than balanced except for the expenditures to give work to the unemployed. In other words, it is perfectly clear that everything is in balance except work for the unemployed.

Q Is any study being made as to how the Treasury will liquidate its debt to the extent of the money owed by the foreign governments? The Treasury statement makes no estimate of any receipts from our foreign debtors for 1936.

THE PRESIDENT: Except Finland.

Q Is any appropriation being made to liquidate that side of the debt?

THE PRESIDENT: No, it is just part of the general deficit pot, that is all.

Q Would it be fair in speculating on the Message to deduct from the total debt to be achieved by the end of 1936, any figure for the stabilization fund?

THE PRESIDENT: No.

Q That should stay out?

THE PRESIDENT: Stay out, I hope permanently. In other words, it is very nice to have a kitty.

Q Mr. President, Mr. Morgenthau hasn't his budget balanced as to these expenditures. I suppose that difference is due to sinking fund and processing taxes?

THE PRESIDENT: Yes.

Q As to these contingent liabilities here on page A-17, how much are we charged as having been obligated? Is it $1,279,000,000?

THE PRESIDENT: On the General Budget Summary?

Q On the contingent liabilities. How much should be charged there as having been obligated of the total amount of contingent liabilities? Is it $1,279,000,000 or $3,000,000,000?

THE PRESIDENT: Which item? Down at the bottom, the "Contingent Liabilities with Definite Limitation"?

Q An item "Contingent Liabilities with Definite Limitation" and up here it shows a table with $1,279,000,000 and there (below it) is $3,325,000,000.

MR. BELL: You have to offset them against their particular items.

Q Oh, you do.

Q Mr. President, one other thing: On page XII you refer to the $300,000,000 annual appropriation to take care of highways, harbors, et cetera. Would the expenditure for the St. Lawrence come out of that annual appropriation?

THE PRESIDENT: No.

Q It would not?

THE PRESIDENT: No.

Q Would it conceivably come out of the $4,000,000,000?

THE PRESIDENT: That might but it is pretty doubtful during the coming year, even if the St. Lawrence Treaty were ratified, whether there would be any work done for a whole year. There would be a lot of engineering work to be done on it. I think you can take that out.

Q Will you, in your formal request to Congress for the $4,000,000,000 fund, go into considerably more detail?

THE PRESIDENT: I think we will use the language I used yesterday, list the various things and practically everything that can be done will fall under one of those.

Q In connection with slum clearance, would low-cost housing to replace the slums follow through?

THE PRESIDENT: Would follow through?

Q In connection with slum clearance, would low-cost housing to replace the slums follow through?

THE PRESIDENT: That is part of it, if they can do it for the price. It is always a question in slum clearance as to whether private capital can put up low-cost housing.

Q On page XIV it indicates restoration of pay but says that it won't be justified on a basis of the increase in the cost of living before July first?

THE PRESIDENT: As I remember the Department of Labor figures, it was 18 per

cent down. That, of course, does not even get it to the 15 per cent decrease. It is pure guess that probably the cost of living in the course of the next few months will go up two or three points before the first of July but, during the following fiscal year following the first of July, the odds are a thousand to one that it won't go up from the present to par -- say it is 82 at the present time -- but in spite of that they are going to restore it on the chance that it might go up.

Q There is talk of restoration of pay as of January first. Have you the money to pay it?

THE PRESIDENT: No. It means an increase in the Budget, a very big increase in the Budget. Of course, a large proportion of the increase is due to restorations next year of five per cent.

Q As a matter of fact, as far as the old-line departments are concerned, that is virtually the only increase?

THE PRESIDENT: Virtually, yes.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #173
January 9, 1935.

Q We won't ask many questions, but I do have one. There seems to be some misinterpretation of the Budget release on District schools -- do you have any ideas on it?

THE PRESIDENT: I have several things about the District schools -- you can look it up. One on schools, another on the Department of Justice. I'll see if I have the school one. This just shows how a headline man plays everything. "The Schools dealt blow by $2,725,761 cut in District Budget." Of course, when I read that I had a fit. I began to check up. Here's what happened: Of course, the layman reading that assumes we have cut the school expenditures in this year's District Budget by two million, etc. Actually the Director of the Budget reports that appropriations for schools (interruption) the total appropriation for present fiscal year, $9,862,000, estimates for 1936, which included 5 per cent salary restoration, is $10,820,000, and that was cut by the Budget to $10,617,000, which was a decrease of $203,000 from the Commissioners' estimate, but was an actual increase of $754,000 over the appropriations for the current fiscal year. Now breaking that down, that increase of $754,000 in the actual

Budget as submitted, $534,000 was for longevity pay increases and restoration of 5 per cent salary reduction. Of the balance, $219,000 increase was for other objects of expenditure. In regard to the building program for new buildings, the 1935 current appropriations were, $1,344,000. The District Commissioners' estimates were $1,185,000, and the Budget cut that to $775,000. In consideration, however, of that new building item, the current year contains one item of $600,000 for Woodrow Wilson High School Building. And, therefore, leaving out that big construction unit in the current year's appropriations, the appropriations for the coming year are just about the same as they were last year. I think there was an attack of exaggeration in writing that.

Q Mr. President, I have to ask you about the possibility of stabilization on the basis of two reports.

THE PRESIDENT: Stabilization?

Q International currency.

THE PRESIDENT: International currency? And did they define stabilization when they asked you?

Q No, here is the basis of the inquiry. Our correspondent filed a story from Europe today, apparently on good enough authority, that Holland and France are trying to get London to work out a stabilization program with the United States. And the French Premier and Foreign

Minister announced today that when they visit London at the end of this month they will talk stabilization.

THE PRESIDENT: No, the only thing that I can tell you -- there is no reason why I should not -- I got a dispatch through the State Department to the same effect this morning. That's the first we heard about it.

Q In that connection Attorney General Cummings, in arguing a gold case today, spoke of the prospect of an International Monetary Conference some time in the future. That's the way he put it, and he did hold out hope for one. Is there going to be one?

THE PRESIDENT: That's what you might call speculative stabilization. That's a new phrase, why not use it. Has double meaning.

Q Would you care to comment on Court decision on the Oil Section of the National Recovery Act?

THE PRESIDENT: No, except I think if you really want to understand a good deal about it, you should read Ballard Kilgore's story in the Wall Street Journal this morning. It is a perfectly good article. I believe that we are all laymen when it comes down to a thing like that. I think probably we might discuss the oil decision from the point of view of a parallel which occurred to me when thinking it over yesterday, in connection with a certain village in up-State New York that had a very bad crossing. There were two main

highways there and an awful lot of people were being killed at that crossing; under the village law that applied in this particular village, the question arose whether they could employ a constable or not. Obviously, something had to be done to prevent all of this loss of life at this crossing. So they got the District Attorney of the county and the County Judge, and the Village Attorney to tell them whether they could have a constable at that crossing or not. They were advised that by passing a certain resolution in the Village Board they could get this constable. They did and the constable went on duty, and they passed another village ordinance resolution in the Town Board and put up red and green signal lights to implement the constable, and didn't have any more accidents. But one fellow got arrested for passing the light, and he took it to court. After about a year and a half the court said, "Why, this particular resolution that was passed by the Village Council is badly drawn. It isn't constitutional or legal under the village law, and you have had that man on duty now for a year and a half illegally." They pointed out at the same time that it was perfectly possible to correct the particular resolution of the Village Council, which had been drawn up at the best advice they could get. So the village went ahead and corrected

the resolution and the constable stayed on duty. Of course, the net result was that they had had a year and a half of life-saving to their credit and yet the way was pointed out to them to accomplish their objective according to correct interpretation of the law by the court, and everybody was happy. Now, there is a good deal in that story for this reason. I have read Arthur Henning and several other people on this decision, and of course the effect is this -- what have you got? Take a big view of it. You had a situation a year and a half ago in the production of one of the major necessities of American life, oil -- gasoline. Everybody was going bust on it and we were wasting a great natural resource that probably won't last us forever. And we attempted to stop the production of oil at 10 cents a barrel and put it on a reasonable basis by which there wouldn't be a waste of oil and at the same time so there could be a reasonable stabilization of employment in that industry. Like all other things we went and got the best advice we could and submitted it to Congress. They passed a law, thought it all right and then Executive Orders were issued which went to the Attorney General, the Secretary of State, the Budget and finally came to the White House, and in the course of a year and a half we got the oil industry in pretty darn good

shape. Now, of course, you and I know that in the long run there may be half a dozen more court decisions on oil before they get the correct language, before they get things straightened out according to correct constitutional methods. But this country is headed for the control of the great natural resource which is called "oil". That's about the beginning of it and the end of it. It is just like stopping collisions in that particular crossing in that particular village.

Q Doesn't this rather circumscribe your actions as quarterback of the New Deal?

THE PRESIDENT: No.

Q Can you legislate so minutely?

THE PRESIDENT: We can go as far as Congress can possibly go. There is good intent on all sides if you try to do things the right way.

Q This does mean you will go ahead with the oil program?

THE PRESIDENT: Yes, we will probably retain some new men.

Q In that connection, does it strike you that oil is likely to be classified as a public utility?

THE PRESIDENT: It has not been legally declared a public utility, but it has a great many essentials of a

public utility.

Q Would it aid you in legislation if so classified?

THE PRESIDENT: I don't know. I have talked it over with a number of people and have various opinions on it. There is a legalistic distinction when you come down to it.

Q You said the other day you might probably hear from the tax survey which the Treasury is making in the District.

THE PRESIDENT: I haven't heard a word.

Q Have any of your legal advisors, or you yourself as a lawyer, figured out how the decision will affect the code, and Executive Orders under the code?

THE PRESIDENT: No, I suppose, as far as I know, there might be a dozen or one hundred other cases where the language isn't correct yet. There might be two or three, nobody can speculate.

Q Have you selected any date for the Social Security message?

THE PRESIDENT: I was talking to Miss Perkins about the Social Security message half an hour ago, and she hopes to have a report in tomorrow, and then I will probably talk with the leaders in the Senate and the House as to when they would like it to come up, and I should say about the middle of next week. Well,

what I thought is this -- the report is not unduly long, it isn't a terrifying document, and I have asked Miss Perkins to have a press synopsis of it made and I thought we would (I'm thinking out loud) let you all have the report and the synopsis. I haven't asked Steve's permission. I will let you have the report itself and the synopsis in confidence about 24 hours beforehand, and then my message will be very short. I probably won't have it ready for you at the same time, but it will be not more than a couple of typewritten pages.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #174,
Executive Offices of the White House,
January 11, 1935, 10.45 A. M.

Q How about swapping a little one for a big one? (Exchanging a small pad of paper for a larger pad)

THE PRESIDENT: That is a good idea. I won't even send you a bill. You are entitled to something off the Government.

Q How is the cold coming?

THE PRESIDENT: A great deal better. I am practically all right.

MR. DONALDSON: All in.

THE PRESIDENT: About a month ago or six weeks ago I began reading a great many stories and statements in regard to the danger to widows and orphans and life insurance policy holders, savings banks depositors, etc., what might happen to them if the so-called "Federal attack" by the Government on public utilities continued. A rather definite effort was being made by a certain crowd in the country to scare everybody to death.

So I got the Federal Power Commission to make a survey on the investments of life insurance companies and savings banks, so far as they related to the present status of public utility securities. I had just a hunch that these public utility securities of operating companies over the period of the depression had actually held up better and had been, from the point of view of reliability, as sound or sounder an investment than almost any other class of bonds. Well, it checked all right.

You will find copies of this report outside. There is no reason why you should not have the report, so I had it mimeographed for you. It took for instance, the portfolios of six large life insurance companies in New York State. They had assets of over 8 billion dollars and out of that

they had 720 million or 8.4 per cent in public utility bonds and 81 millions or a little less than 1 per cent in public utility preferred stock. Fifteen large life insurance companies in other states with assets of close to 8 billion dollars had 9 per cent in utility bonds and 8/10s of 1 per cent in utility stocks.

The savings banks of the State of New York which, of course, have the largest savings bank deposits of any State in the Union, less than 3 per cent of the assets in those banks were invested in public utility bonds and I don't think there were any investments in public utility stocks because I do not think that is a legal investment for a savings bank.

But the main point is, what is the present market value of them compared with 1929? It shows that of 121 issues that these companies held and the savings banks held, the price in 1929 was 99 bid, par asked -- well, it was exactly 99.4 bid, par and 6/10s asked. In 1934 it was 106 bid and 106.7 asked. In other words, there was an appreciation of 6-6/10s points in the bid price on this large list of representative bonds. The market value today is 109 million dollars higher than in September, 1929.

The report shows that operating utility bonds are at their highest prices in 15 years and then there is a table in here that shows the bid and asked price from 1920 down to date. There is a chart showing bid quotations on public utility bonds legal for insurance company investment in the State of New York, which is a pretty good picture. I wish that all financial pictures looked like that. Do you see how nice that curve is up there (indicating)? (Laughter)

Then there are a couple of pages about utility bonds of the Metropolitan Life Insurance Company, showing that they are valued above par, at an average of 3 points over 1929 -- that was in reference to Mr. Ecker's letter to Mr. Cortelyou -- you will read about it.

And then there are conclusions, very short.

(Reading)"In view of the above facts it is clear that holders of life insurance policies and depositors in savings banks have no cause for concern regarding the security of that part of the assets of such institutions invested in electric utility bonds. Widows and orphans and other beneficiaries of estates likewise are secure, provided the executors and trustees of such estates have conformed to the legal requirements which most States have established for such fiduciary officers, and have invested the funds entrusted to their supervision in the securities of operating companies and not in stocks or debentures of holding companies or so-called investment trusts."

Q Any comment from you on that report, Mr. President?

THE PRESIDENT: No. It speaks for itself.

Q Had you noticed where the Niagara Hudson, I think it is, is cutting the rates?

THE PRESIDENT: I did not know that.

Q Where is that?

Q In up-State New York.

THE PRESIDENT: Good.

Q On this utility question, can you tell us about how the holding company supervision will be administered, by an agency?

THE PRESIDENT: I don't know. We haven't got to the point of outlining any procedure.

Q Have you decided to confine it to public utility holding companies or to other forms of investment companies?

THE PRESIDENT: I don't know, that is still being talked about.

Q Do you know when your recommendations will be made?

THE PRESIDENT: I don't know. I should say probably not for two or three weeks yet and I am not sure whether it will come out in the form of a formal recommendation or a message or anything of that kind. They may start a bill in the Committee in Congress.

Q Rayburn (Congressman Sam Rayburn) said yesterday that he is going to put in

his bill early next week and he seemed to regard it as an Administration measure. Isn't there an element of jumping the gun, in view of the fact that the Federal Trade Commission has not reported finally on the recommendations?

THE PRESIDENT: I don't know enough about it. I haven't read about it for a week. I know there are a lot of people working on it.

Q Do you plan any further conferences with power officials? That is, private power officials?

THE PRESIDENT: No, not that I know of. Hold on -- yes. You said "planning any conferences"? I think Harvey Couch is coming in this afternoon to talk to me. He is the only one I know of. He has been wanting to see me for a long while.

Q That will be on power, of course?

THE PRESIDENT: I suppose so.

Q Has Mr. Baruch's War Profits Committee made any report yet?

THE PRESIDENT: I think he gets here tonight and he will talk over the week-end.

Q There is a report up at the Capitol that you have impounded or will impound all Public Works money of the $3,300,000,000 which has not been used.

THE PRESIDENT: I think it has all been allocated.

Q Which contracts have not been signed? Some of the states have not signed.

THE PRESIDENT: No, that is not true. In other words, the Public Works Administrator and I both took the position that if an allocation was definitely made and the city was notified, that in good faith we ought to go through with it, subject to working out a satisfactory contract. We cannot withdraw the money from a city after it has been definitely allocated, even if the contract has not been signed.

Q Would you care to comment on the possible consequences of an adverse report on the World Court?

THE PRESIDENT: No. The only thing I can say, off the record, is use your own imagination. Go as far as you like.

Q Have you any information on the controversy between Ickes and Bob Moses?

THE PRESIDENT: I got a lot. (Laughter) It is just in my head at the present time and hasn't come out yet.

Q Did you talk with Ickes about it, Mr. President?

THE PRESIDENT: Oh, for months. (Laughter)

Q Did you talk to the Chairman of the ICC about the reduction in appropriations for 1936?

THE PRESIDENT: No, only over the telephone, just the information that they have been getting in the Committee. I don't know what is going to happen. I have no idea about it at all. I have gotten nothing.

Q Do you expect to see Mr. Caffery today?

THE PRESIDENT: Jeff Caffery is coming in this afternoon.

Q Did the report of the Committee on Social Security come to you?

THE PRESIDENT: Just as soon as you go, we are taking it up.

Q When do we get that advance?

THE PRESIDENT: I don't know. I said the day before yesterday that I hope by about the middle of next week.

Q I see that Commissioner Pecora's name has been sent to the Senate. Do you expect him to continue here?

THE PRESIDENT: He is coming here this afternoon to say goodbye. He is being sworn in pretty soon.

Q Have you anyone in mind to take his place?

THE PRESIDENT: I haven't thought about it.

Q Did you receive an optimistic report from Davis about the possibility of a Naval agreement this year?

THE PRESIDENT: I haven't had a chance to see him. I am seeing him just as soon as I can get around to it.

(The Press Conference adjourned at 10.55 A. M.)

CONFIDENTIAL
Press Conference #175,
Executive Offices of the White House,
January 16, 1935, 10.45 A. M.

Q Good morning, Mr. President.

THE PRESIDENT: Good morning.

Q A lot of news this morning, Mr. President?

THE PRESIDENT: I do not think there is any. I have been trying to do an editorial job for you people. It is a perfect nuisance. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I have got to delay this summary of the Message on security for a couple of hours because I just happened to pick up a thing that does not state it quite right on one of the pages with regard to old age security. It sounds ambiguous, as if it is going to bust the Government -- it is not sufficiently explained that it would only bust the Government if we did not do something. So it will be a couple of hours before I get it to you. I have to rewrite a paragraph to make it clear exactly what the thing is. The Message will go up tomorrow at the opening of Congress and it will be fairly short, about three pages. And with it there will be a very short Message, one page, going up on the World Court. In fact, there it is (showing the Message).

I do not think there is any other news.

Q Is Mayor LaGuardia having a conference with you today?

THE PRESIDENT: I do not think so. Wait until I look at my list.

MR. McINTYRE: No, sir; he is not.

Q Have you the report of the Post Office Department on ocean-mail contracts?

THE PRESIDENT: I do not think so; I think they are coming.

MR. McINTYRE: No, sir; Jim (Mr. Farley) said this morning any time in the next two or three days.

THE PRESIDENT: Any time in the next two or three days.

Q Mr. President, will you please say something about your proposed trip to California? (Laughter)

THE PRESIDENT: Only that hope springs eternal.

Q It surely does with us.

Q Does Senator Copeland's version have your specific approval?

THE PRESIDENT: I do not know what his version is. You mean the bill he has introduced?

Q Yes.

THE PRESIDENT: I have not seen it.

Q Will the Administration back any pure food and drug legislation?

THE PRESIDENT: That would be a tall order. I do not know; I hope it will be satisfactory -- any one that is satisfactory, any one that puts some real teeth to correct certain existing abuses. That is what we are after.

Q Do you have plans, has the Administration plans for food and drug legislation?

THE PRESIDENT: I think Senator Copeland is handling the thing all right. I do not think there is any story. As far as I know, the bill is all right; I have not read it.

Q Has it been necessary to resort to contracts for some phases of the work relief program for next year?

THE PRESIDENT: No, I hope not.

Q On the highways, for instance, there is some thought that it would be impracticable to handle that?

THE PRESIDENT: No. It is a very difficult thing to be didactic on. For instance, you take the building of a highway by a state that hasn't its own machinery: it is perfectly possible that they might hire machinery and hire the superintendents from a private company, but that would be

only a very small percentage of the cost or of the labor, and then put the people who are on the relief rolls actually to work on the job. That seems to be a pretty practical thing to do in a great many cases, that is to hire the overhead and hire the machinery to do it. In a sense, that is a contract because you use the contractor's organization at the top.

Q Can you tell us of any pending probability of change in the Philippine independence program as a result of the visit of Quezon and Governor Murphy?

THE PRESIDENT: I have not heard a word about it. Governor Murphy is coming here in about a month.

Q Would it be impertinent to say that you sent for him?

THE PRESIDENT: Yes and no. I think I wrote him last summer -- I wrote a personal letter saying that he had not had a holiday for a while and did he think it would be a good idea to come here this winter. He said, yes, it would be a good time to come in January, so we telegraphed him to come ahead in January.

Q Is the St. Lawrence Waterway Treaty to be modified before being submitted to the Senate?

THE PRESIDENT: I cannot tell you anything at the present time.

Q Do you expect Murphy to continue after the independence act takes effect?

THE PRESIDENT: Oh, yes; just talking to us and taking a little holiday.

Q The prices seem to be fluctuating pretty considerably as a result of speculation on the gold clause. Are there any observations by you on that?

THE PRESIDENT: No. It would not be proper for me to make any observations on those things pending the decision by the Supreme Court.

Q It has been intimated in some of the dispatches this morning that the stabilization fund was being used to keep the dollar down.

THE PRESIDENT: You had better ask the Treasury that question. You won't get

anything out of them. (Laughter)

Q Will you say anything about the Townsend Bill at all?

THE PRESIDENT: What?

Q The Townsend Bill that is being brought up before the Congress tomorrow?

THE PRESIDENT: Senator Townsend?

Q The Townsend Bill which is being brought up before Congress tomorrow?

THE PRESIDENT: That is a bill.

Q Anything about the conversation at the end of last week about the War Profits Committee work?

THE PRESIDENT: Oh, just continued, that is all.

Q Have they submitted a report yet?

THE PRESIDENT: No.

Q Will you consider calling a conference of state and Federal tax authorities to discuss the allocation of state and Federal taxes?

THE PRESIDENT: You mean the conflict of taxes?

Q Yes.

THE PRESIDENT: We are all talking about it. The time has not come to make a decision whether there will be a conference or not. There is a great deal of study and survey, not only here but in various state capitals. We have not got to the conference stage as yet.

Q Any developments in the Moses' situation in New York?

THE PRESIDENT: Not that I know of.

Q Mr. President, can you tell us the nature of your conversation with Secretary Hull and Mr. Peek yesterday?

THE PRESIDENT: I think, for background, there is no reason why they should not say a word or two about that. We started in a year and a half ago on the question of possible international agreements on wheat by which, from year to year, world wheat surpluses would be controlled, with the general

thought that it would stabilize prices that the wheat producer actually got.

As you know, we made pretty fair progress with that -- we ran up, I think, against one or two snags but, on the whole, there seems to be still a logical plan for international cooperation in one of the major crops.

The same general principle applies to cotton and it is being discussed. It is being discussed in a good many countries at the present time. We have not got to any point of calling an international conference or making requests of this, that or the other nation but we are exploring the possibility of international action to control cotton surpluses -- that is, export surpluses -- with the idea of making fair prices, price you can look forward to in the world markets, to the cotton producers all over the world. It is a problem somewhat similar to wheat in the total amount. There are a good many nations growing cotton, darn near as many as are growing wheat. We are very much interested in it and we believe that it is one of those things where we should if possible, in the future, try to get some kind of international agreement.

Q Have we taken it up with any other nations as yet?

THE PRESIDENT: No.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #176,
Executive Offices of the White House,
January 18, 1935, 4.12 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news. I am probably going to send up sometime next week, if I can get the thing written, a very short Message transmitting the Report of the National Resources Board and the Mississippi Valley Report and possibly one or two other surveys and investigations in regard to national resources, just for the information of the Congress. There isn't any action requested but it is just to explain the general line of operation, not only on the $4,000,000,000 fund but also on the $300,000,000 fund which we are hoping, as you know, will ultimately develop into an annual $500,000,000 fund.

Q On that $4,000,000,000 fund, are you going to send up a bill or are they going to draft it up there?

THE PRESIDENT: On the what?

Q On the $4,000,000,000?

THE PRESIDENT: I think they have something drafted.

Q Are you going to send a special Message up there?

THE PRESIDENT: Oh, no. They got that in the Annual Message.

Q Mr. Ickes sent word to the state engineers of the PWA requesting lists of prepared projects that they might work on. Can you tell us whether that indicates that Ickes is handling this fund, or not?

THE PRESIDENT: Oh, no; absolutely nothing on that at all. In fact, it has not been considered for a month. Various agencies are getting local lists of things to be done.

Q Can you tell us anything about the setup to spend that $4,000,000,000?

THE PRESIDENT: I just said I haven't done a thing or thought about it for a month.

Q Has any decision been reached on the future of the Home Owners' Loan Corporation?

THE PRESIDENT: That is tentative; it is not completed yet. There are certain minor amendments and a request for an additional authorization, the sum not yet determined, to take care of existing worthy applications.

Q There won't be any change in the eligibility requirements?

THE PRESIDENT: No.

Q What is the next step on the Caspar Alcova Project in view of the ruling of the Solicitor (of the Interior Department)?

THE PRESIDENT: I never heard of the ruling.

Q It was on the ticker just before I came over here. There was an argument that Margold had ruled that there were legal obstacles.

THE PRESIDENT: I never heard of it. What were the obstacles?

MR. EARLY: The dam could not be built out of PWA funds. He held that was not within the law.

THE PRESIDENT: We will have to find out about it.

Q Did you receive the Cigarette Code from the NRA Board yet?

THE PRESIDENT: No, not yet.

Q Can you tell us anything about the conference on the CCC today?

THE PRESIDENT: Very little because they handed in a long report that I have not finished reading yet. It related to the extension of the work for another year and increasing the amount of the work. We have not decided how much it would be increased and what we hope to do, of course, is to tie it in with the new development, with the existing development, and carry it out practically along the same lines.

There is one suggestion made of some interest and that is that there

is a shortage in the country of certain experts, for example, foresters, that there are not enough to go around in the United States of graduate foresters, so we have to take the next best thing we can and that is experienced people who are not graduate foresters. What we hope to do on that particular end of the work is to hold an examination which would enable some of these boys who have been at CCC Camps for perhaps a year and have made good in forestry work to take that examination and if they qualify, to graduate into a position of responsibility in the camps. We would not call them foresters, because they would not be qualified for that, but they would assume certain responsibilities that are now carried on by graduate foresters.

Q Anything about your luncheon with Secretary Ickes?

THE PRESIDENT: Usual lists.

Q I have a rather familiar question popping up again: This morning the New York local papers published the text of an Executive Order issued December twenty-sixth, which was interpreted as having given to the Secretary of the Interior authority under which he issued his order that is said to look toward the elimination of Mr. Moses in connection with Public Works.

THE PRESIDENT: I don't know an Executive Order of mine --

Q (interposing) Yes?

THE PRESIDENT: I would have to see it before I could comment on it.

Q Anything new on the extension of CCC?

THE PRESIDENT: I was just talking about it. We are going to extend it, but how much we do not know.

Q In connection with the Home Owners' Loan program, does that involve a reopening of the application or the applications now on file?

THE PRESIDENT: Roughly, it is confined to the applications now on file except in very unusual and extenuating circumstances. If a man had been prevented

in getting his application in and could prove prevention, that would be a different thing.

Q Has there been any determination if there is a Republican form of government existing in Louisiana?

THE PRESIDENT: What kind of determination?

Q Has there been any determination?

THE PRESIDENT: Well, that opens a wide field for speculative debate on a theoretical problem. Who should make the determination?

Q Well, the Constitution says something about it.

THE PRESIDENT: That does not say who makes the determination. (Laughter)

Q Mr. President, there has been a controversy between secretaries about the alleged attempts of the Roosevelt Administration to curb the freedom of the press. Now Representative Dies of Texas has sponsored and introduced a resolution calling for an investigation of those alleged attempts. Will you comment on that?

THE PRESIDENT: Except that a good time is being had by all. (Laughter)

Q Including the press.

Q Can we quote that, Mr. President?

THE PRESIDENT: I think not.

Q Have you indicated to anybody on the Hill, approximately, how soon you would like to see this social security thing enacted in order to get to the state legislatures in time?

THE PRESIDENT: I have not set any date on it. Of course, from the point of view of the calendar, a good many legislatures like to go home by the middle of March or the first of April. The quicker we could get it through, the easier it would be for a good many state legislatures to get the necessary legislation in without having to adjourn or stay in session longer than their customary time.

Q Have you formulated any policy on the bonus?

THE PRESIDENT: What has happened on it?

Q Did you formulate any policy on the bonus?

THE PRESIDENT: I have a lot of policy on the bonus. It will develop.

Q Will there be a special Message on the bonus to the Congress as a result of the recommendations by General Hines?

THE PRESIDENT: Not that I know of.

Q Any developments on the cotton agreement?

THE PRESIDENT: No, nothing further than I told you last Wednesday, that we would proceed on it along the same general lines of procedure as we did in the case of wheat. In other words, it would head up in the Department of Agriculture, with the cooperation of the State Department and other agencies

Q There seems to be a lot of sentiment on the Hill to increase the amount of old age pensions above the minimum of $15. Have you anything to say on that?

THE PRESIDENT: No, except this, that it was not, perhaps, made clear enough to some people who read the summary rather hurriedly that there is no limitation on the amount to be paid. That is a matter for the State. The limitation is merely a Federal limitation of not to exceed $15. That does not preclude any State from making their share more than $15. But it was necessary to put a Federal Government limit in order to keep it within sound financing.

Q Mr. President, you made a reduction of tariff on beer of fifty per cent. Any consideration of reducing the tariff on other liquors?

THE PRESIDENT: I have done nothing on that at all; no recommendation.

Q On the security program a lot of details not touched in the bill are to be handled by regulations by the department under the bill. Has any consideration been given to the policy that may affect workers employed in two or

three different states. There seems to be a broad question involved.

THE PRESIDENT: You mean people from one job to another?

Q Yes. Where would they get left on the compulsory contribution thing?

THE PRESIDENT: I cannot tell you the actual details. In England they use the stamp system. I don't know what they would use here. They use the stamp system and have a book like a savings bank book.

Q They would have something to show?

THE PRESIDENT: Yes, they would have something to show.

Q Wouldn't it be difficult in the states -- something to be overcome there?

THE PRESIDENT: I don't think so. You can have, for instance, enough books throughout the country.

Q That is what I meant. You assume that the states will have more or less uniform plans?

THE PRESIDENT: Yes.

Q It contemplates that every worker, the migratory workers and the unskilled workers, would carry the same kind of identification book?

THE PRESIDENT: Yes. We would have to prorate the employer's share among the employees so that the individual gets protection.

Q If a state does not comply with the Federal standards for old age pensions and for children's aid and the Federal Government continues its policy of putting unemployables back under the state, what kind of provision will be made for taking care of those the state does not take care of?

THE PRESIDENT: Let us wait until some state falls down. I think they are coming through all right.

Q Returning to the $4,000,000,000 proposition, the administration of that fund for the fiscal year 1936, is that to be set up by Executive Order or by legislation?

THE PRESIDENT: You mean the details of the administrative setup?

Q Yes.

THE PRESIDENT: That would be by Executive Order.

Q No legislation necessary?

THE PRESIDENT: No, it would be in the bill.

Q Is it your understanding, sir, that the $4,000,000,000, the $300,000,000 and the $880,000,000 will all be included in the one bill?

THE PRESIDENT: I think so, but you had better check with Mr. Buchanan on that.

My impression is that they have it in the same bill but you had better check.

Q Anything on the successor to Mr. Pecora?

THE PRESIDENT: No, I have not considered it.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #177,
Executive Offices of the White House,
January 23, 1935, 10.35 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not believe there is any particular news. I think I will send a Message on national resources up either tomorrow or the next day, depending on when I get it finished. I am editing it at the present time.

Q What did you say was the Message?

THE PRESIDENT: The National Resources Message.

Q Mr. President, can you tell us anything about the NRA meeting last night?

THE PRESIDENT: No, it was just the preliminary talk over various suggestions that have been made and will be followed by a lot more conversation, probably in another two weeks, before we get anything in what might be called tentative final form. There isn't anything done in final form at all.

Q Will there be a revision or continuing by resolution? There is some talk about a resolution?

THE PRESIDENT: No, we haven't got as far as that.

Q Can you tell us whether you believe the tax on payrolls for relief will interfere with recovery in any way?

THE PRESIDENT: What is that?

Q Can you tell us whether you believe the tax on payrolls for relief will interfere with recovery in any way?

THE PRESIDENT: Payrolls for relief or for unemployment insurance?

Q Unemployment insurance.

THE PRESIDENT: No, I do not think it would.

Q Mr. President, do you intend to send a special Message with this Aviation Commission report?

THE PRESIDENT: I think so but I have not really made up my mind yet as to whether it will be just a letter of transmittal of the aviation report or whether it will be longer than that. The reason is, quite frankly, that there will be a Message on modification of transportation supervision. We talked about that before, in the Annual Message, and whether I will send a special Message on aviation or hold discussion of aviation until the general transportation Message, I do not know yet. I think the aviation Message will probably go up next week -- I mean the transmitting of the report.

Q Are your plans for holding company legislation taking form?

THE PRESIDENT: No, still in the preliminary stages; about the same condition as NRA.

Q There seems to be some doubt as to the status of the journalists' cause as a result of your letter yesterday on the authority of the National Labor Relations Board.

THE PRESIDENT: God, I thought it was clear enough; Heywood Broun thought it was clear enough. No, the situation on that is now, after many efforts of many people to get the thing ironed out, perfectly simple and perfectly clear. The letter I wrote to the National Labor Relations Board was based on a somewhat novel thought and that is that we should, as a Government, leave it to the letter of a written agreement. The code, the original Newspaper Code, was drafted in conference in NRA and was agreed to by practically everybody and it was one of three codes -- I said there were less than five -- and it was one of three codes only that provided by its language for a judicial body to be set up by the Code Authority, which would have final action on labor cases.

Then you come to the next step: The Code Authority failed to set up that body, hence the National Labor Relations Board took jurisdiction

on the ground of what may be called the law of laches that the Code Authority had failed to set up the arbitrating or determining body. The newspaper publishers said that that was not sufficient reason to take jurisdiction. I took the point of view that we ought to give them all the rope in the world, give them another chance to set up the judicial body under the code. In other words, I have left it very strictly to what might be called the honor of the matter.

Q Rope to hang themselves with? (Laughter)

THE PRESIDENT: And now it is very important that, since we have recognized the letter of the agreement, the next step is for the Code Authority to carry through its part of the agreement to constitute this tribunal and put it to work. So that is about all there is.

Q Doesn't the same situation apply generally to the Wolman Board of the automobile industry? That is not in the code but that is a subsequent agreement.

THE PRESIDENT: Yes, that was a special agreement.

Q Under this arrangement, if the judicial body of the code fails to issue an agreement, then can the National Labor Relations Board take jurisdiction?

THE PRESIDENT: Then they refer it to me.

Q Rather than the National Labor Relations Board?

THE PRESIDENT: No, the National Labor Relations Board, on complaint by any-body that the Code Authority has failed to function or has functioned unfairly in some way, in that case they report to me.

Q Mr. President, can we induce you to comment on the Senate Progressives' fight against our entry into the World Court.

THE PRESIDENT: There are a number of questions. Perhaps I can say something in the way of background. For example, there has been some discussion of the suggestion that if we go into the Court, that in that event no case

could be sent to the Court without a two-thirds prior approval of the Senate. Of course, from the strictly Constitutional point of view, that is a definite limitation of the Constitutional prerogatives of the Executive which cannot be of any effect. Just, for example, I suppose there are fifty cases in our history where the Executive has entered into agreements with other nations for the settlement of pending questions without any reference to the Senate of the United States whatsoever. There are, of course, two distinct Constitutional limitations on the part of the Executive to conduct foreign affairs, but only two. The first limitation relates to appropriations. If a settlement of an international question involves the appropriation of money, of course that would have to be passed on by both Houses of the Congress. If the settlement required a treaty for the future, in that event it would require a two-thirds vote of the Senate. The Constitution very definitely, however, places all other conduct of foreign relations in the Executive and not in the Congress.

Q Do you accept the Vandenberg reservation?

THE PRESIDENT: To tell you the honest truth, I do not even know what it is. Was that the reservation -- that is the reservation that Senator Vandenberg described as surplusage?

Q That is right?

THE PRESIDENT: Yes.

Q Can you accept it then because it would appease his feelings?

THE PRESIDENT: I have not read it. I read that he had offered a reservation otherwise described as surplusage.

Q Any other reservations you propose accepting?

THE PRESIDENT: I have not heard of any other at all.

Q Mr. President, in your desire to prevent Congress from earmarking any of

of this $4,000,000,000 appropriation --

THE PRESIDENT (interposing) In what desire to prevent Congress from earmarking any of this $4,000,000,000 appropriation?

Q All right. (Laughter) In your desire to discourage Congressional attempts to --

THE PRESIDENT (interposing) In what desire to discourage Congressional attempts? (Laughter)

Q What I want to know is, are you anxious that they stick to the exact text of that bill they have down there?

THE PRESIDENT: I have not read the bill; I have not even seen it.

Q You ought to; it is an amazing bill.

THE PRESIDENT: No, all I did was to send a Message to the Congress and I am just sticking by a Message to the Congress. As I understand it, the bill was drawn up there and I have not even seen it.

Q In view of the fact that a bill has been introduced in the Senate regarding a Columbia Valley Authority, do you wish to comment on that?

THE PRESIDENT: There are a lot of bills, probably half a dozen regional bills, in at the present time and, on the question of regional, additional regional authorities, my thought at the present time is that the work outside of the Tennessee Valley has gone such a very small distance -- that is to say that they are definitely still in the planning stage, except on the Upper Missouri where we have two projects and the Columbia where we have two projects that won't be completed for a long time -- I have forgotten what it is, three or four years -- that to set up a separate authority for each region at this time is crowding the mourners a bit, we are not ready for it. What the administrative setup will be eventually, I am not ready to say yet.

I might -- this is a thought at the present time -- I might set up

070

during the course of this summer what might be called advisory commissions, probably unpaid commissions -- it would be grand if they would serve without pay -- in those regions in order to develop the future plans in accordance with the broader policies of the National Resources Board report but I do not think the setting up of any highly paid commissions at this stage is justified yet. You take, for instance, the Columbia River: We might very easily set up an advisory committee to study the whole project in order that later on we might set up permanent machinery.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #178,
Executive Offices of the White House,
January 25, 1935, 4.15 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: Well, I have a piece of very good news for you, a very important piece of news, something you are all deeply interested in and I might say that I owe my interest in this subject entirely to the interest that you gentlemen have taken in it. I have just written a letter to the Speaker, transmitting for the consideration of the Congress a supplemental estimate of appropriation for this fiscal year, to remain available for the following fiscal year also, for the Department of Agriculture in the amount of $480,000 for the control of the screwworm. (Laughter)

Q I thought there was a catch in that.

Q Mr. President, while we are talking about finance, there is a Brazilian financial mission in town. Would you like to comment on that?

THE PRESIDENT: I think I am going to see them sometime. They have just gotten here?

A Yes.

THE PRESIDENT: They will be brought in to see me in the course of the next week.

Q Joseph B. Weaver of the Bureau of Navigation and Steamboat Inspection has drafted some regulation for sea safety which I think has been approved and passed on to you and I wondered whether, in view of this disaster to the MOHAWK last week, you would expedite it?

THE PRESIDENT: I have it in my basket and have not gone through it. I have not approved it. Anyway, something will be done soon.

Q There is also some convention before the Senate which was approved in London in 1929, which makes it necessary to construct ships with proper bulkheads and on that Mr. Weaver is very anxious to have that approved and says it

is necessary.

THE PRESIDENT: The Secretary of Commerce spoke to me about it and said it was necessary. I will have to speak to him about it. That is the London Convention of 1929?

Q Yes.

Q There is a provision for guaranteeing loans to or payments from needy persons Can you throw any light on that?

THE PRESIDENT: No, I cannot. I will have to check. Somebody called me on the telephone about it yesterday and I don't know.

Q Can you tell us what that preliminary report on ocean-mail contracts was?

THE PRESIDENT: Let us see -- well, that was just -- that is all it was, a preliminary report without any of the individual company reports accompanying it. I am reading it over at the present time. It is not the final report.

Q Has the Henderson-Lubin report on employment in the automobile industry reached you yet?

THE PRESIDENT: I got that last week and haven't looked at it yet. It will probably come out in the course of some time next week.

Q Will it be given out here when it comes out?

THE PRESIDENT: Either here or NRA; I do not know.

Q Mr. President, has the Economic Security Act, as drafted now before the Congress, met your terms of self-liquidation as set forth in your Message?

THE PRESIDENT: The Wagner Bill?

Q Yes.

THE PRESIDENT: I don't know.

Q Mr. President, is there anything you can tell us about the talk Mr. Davis had with you before he left for New York?

THE PRESIDENT: Norman Davis?

Q Yes.

THE PRESIDENT: No, just general things relating to November and December.

Q Has the Cigarette Code reached you yet?

THE PRESIDENT: No. Is it done? I don't know.

Q Can you give us any background regarding Federal Reserve legislation under discussion today?

THE PRESIDENT: I don't think it has been drafted yet. I have not seen any.

Q Will you tell us how your mind is running in the matter?

THE PRESIDENT: Not until I have a conversation about it. I haven't had that yet.

On the Cigarette Code, to go back to that other question for a second, there is one situation that really ought to be talked about. Well, here are two simple examples, cigarettes and books. Probably over 90% of all the dealers in cigarettes and books in the United States are dealers in that line of goods only. In other words, most cigarettes are sold by cigar stores and most books are sold by book stores or stationery stores. They are comparatively small establishments owned by comparatively small merchants running a comparatively small line of goods.

Along comes a small minority of the dealers in point of numbers, who have very, very large businesses and tremendously large lines of goods. They have been in the habit until this past year -- we stopped the book end of it but did nothing about the cigarette end of it -- they have been in the habit of selling these two particular articles below cost. Now, there is a problem: How are we going to prevent that kind of practice? The great, huge, department store, in order to attract trade, will sell their cigarettes below cost to themselves, or will sell books below the trade price and even below what they have to pay the publishers for books in a great many cases.

Now, that is obviously a bad practice. I am, of course, entirely in sympathy with the efforts to stop price fixing. This is all off the record. We ought not to have price fixing in this country except possibly in certain natural resources such as coal, oil and gas. As a general thing, in industry, we ought not to have Government price fixing.

But, on the other hand, ought we not to have, not price fixing, but some kind of control over the small minority of merchants who are selling things below cost, making up for that particular loss in profits on other lines of goods? It is a very interesting question that ought to be discussed.

Q How could it be done without price fixing?

THE PRESIDENT: It depends on your definition of price fixing. Price fixing does not mean, necessarily, that they have to sell for such and such a sum or so many dollars for a carton of cigarettes. You can eliminate that by declaring that kind of practice to be an unfair practice.

Q Has the Federal Trade Commission gone on record against that?

THE PRESIDENT: Absolutely.

Q Can it be done through the Federal Trade Commission?

THE PRESIDENT: There is no law at the present time to do it.

Q They have criticized it?

THE PRESIDENT: Everybody has. That is our problem, to stop the practice.

Q Can you make that background?

THE PRESIDENT: Yes.

Q Also off the record, what does your Ambassador to France (Ambassador Straus) think of that, Mr. President?

THE PRESIDENT: Luckily he is in Paris so it is all right. (Laughter)

Q The Retail Tobacco Dealers' Code -- the cigarette manufacturers have never had a code and the NRA Board had a vote on it and I think that is on the way.

THE PRESIDENT: Yes. Anyhow, the retail tobacco people have the code?

Q Yes.

THE PRESIDENT: They are all right.

Q That provision had expired and has been extended. It expired on the twenty-sixth of January and was extended to March first.

THE PRESIDENT: Of course, what the manufacturers need -- probably I am thinking out loud, but the best way of stopping sales to specially favored customers way below the ordinary wholesale price is publicity -- requiring them, after they have set a price, their wholesale price, to at the same time make public every sale they make below that wholesale price.

Q The difficulty on the Manufacturers' Code is that it is entirely on wages and hours and no trade prices at all.

THE PRESIDENT: That is right.

Q Can they be reached by the taxing power of the code in any way?

THE PRESIDENT: I do not know -- I am just throwing this out. I am looking for a remedy. That is possible -- I mean, it is worth considering. I do not know that it is possible.

Q To return to that shipping matter for a minute, I understood that you were going to approve the Senate's endorsing that convention?

THE PRESIDENT: I do not know; I have never looked into it. I cannot say without looking at it.

Q When will you send up the aviation report to the Congress?

THE PRESIDENT: Tomorrow or the next day I am going to try to do a little scheduling of myself to find out what I am going to send up in the course of the next two or three weeks.

Q Will you send a Message?

THE PRESIDENT: Some kind of a Message.

Q Anything to say about the Automobile Labor Board agreement?

THE PRESIDENT: No, I cannot until I read the report.

Q That is the Henderson-Lubin report?

THE PRESIDENT: Yes.

Q Anything to say about local taxes, District of Columbia taxes?

THE PRESIDENT: The report came from the Treasury about three days ago and there were one or two points not covered and I sent it back for further information.

Q The relief setup -- anything on that?

THE PRESIDENT: No.

Q Will you discuss your views on public utility regulation?

THE PRESIDENT: What about the regulation?

Q I mean, the form which you favor, the form of legislation?

THE PRESIDENT: You are talking about holding companies, We are going to have another meeting this coming week.

Q Would you care to say anything about your power conference with Mr. Lilienthal today? Anything about expediting the purchase of the Electric Bond and Share properties in Knoxville?

THE PRESIDENT: We did not talk about that. The three things we took up yesterday were the holding company end of it, the rural electrification and the appliances.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #179,
Executive Offices of the White House,
January 30, 1935, 10.50 A. M.

Q Birthday present, Mr. President (referring to the new suit worn by the President)?

THE PRESIDENT: Made at Hyde Park, in that loom up there.

Q In the hills?

THE PRESIDENT: In the shop. You know the name of the man who runs the gasoline plant on the corner.

Q That is swell looking.

Q It would look well down in Florida.

THE PRESIDENT: Oh, it is too hot for Florida. It is quite heavy.

MR. DONALDSON: All in.

Q Mr. President, I have been honored by being asked, on your birthday, to introduce our speaker to offer his congratulations, the president of our Association, (the White House Correspondents' Association) Mr. Stephenson.

THE PRESIDENT: From the seat? Stevie, I think you should mount the table.

Q (Mr. Stephenson) I feel I should, too. I was going to ask Senator Young to tell you that we wish you a Happy Birthday and many happy returns.

THE PRESIDENT: Thank you. I honored the day by putting on a brand new suit; that is about the only change, and the only other change is that Stephen (Mr. Early), who never gave me a flower in his life, presented me with a white rose when I was still in bed. So far they are the only significant features of the day.

Q You say the suit came from Hyde Park, Mr. President?

THE PRESIDENT: It came from the loom at Hyde Park where we are trying to establish a local industry.

Q Is that new, the loom?

THE PRESIDENT: It started about a year ago. Gus (Mr. Gennerich) is going to have a new suit made out of it too.

Q It is about time. (Laughter)

Q Gus has a farm up there.

THE PRESIDENT: Absolutely; he is a big land owner.

Q Can you tell us anything about your own plans for the birthday, your own plans for the day?

THE PRESIDENT: It is supposed to be a normal day and a family dinner this evening. I don't think anybody will be there except the family.

Q Mrs Roosevelt?

THE PRESIDENT: She is going to three balls up there in New York in the evening.

Q Who else?

THE PRESIDENT: Uncle Freddie Delano and that is all, outside of the children. I think the only news is that tomorrow morning, at noon, there will go up the Aviation Message, which will transmit the report -- I cannot tell you before it goes up exactly what the Message will contain unless you want it off the record so as to be ready to write your stories in the morning.

MR. EARLY: They do not need it; it is a very short Message.

THE PRESIDENT: It is a short Message and explains itself, really. That will be followed within the next two weeks by some reports, again transmitting them, on shipping. The Coordinator of Railroads has sent up through the Interstate Commerce Commission, I think yesterday for release today, his report which really covers fairly broadly, except for aviation, the general theory of the consolidation of transportation -- general transportation supervision. In other words, what we are doing is that we are

all heading in towards this problem of concentration of all transportation, insofar as the regulatory and quasi-judicial features go, in one Government body instead of scattering them all over the lot and, therefore, all these reports going in should be read together -- the aviation report, the Coordinator's report, the Post Office report, the Department of Commerce report, they all ought to be read together rather than as separate reports because, naturally, being different bodies they will have a certain number of what might be called conflicting recommendations in regard to the setup, not the general policy but the setup, and out of them all we hope to get the general transportation bill.

Q Mr. President, returning to your birthday, have you any idea of how many messages you have received? Has any number been given to you yet?

MR. EARLY: They came in this morning.

THE PRESIDENT: These came in this morning. There were a lot yesterday but they are not there (indicating the pile on his desk).

Q The Associated Press this morning carried a story, also used by the New York specials, that the Administration tonight prepared a course of action designed to prevent chaotic results following adverse decision in the gold clause case. It finally winds up that a fourth (course of action) and one that is only to be used as a last resort, is that the membership of the Supreme Court be increased. That is supposed to be recommendations of Cummings and Morgenthau. Have they made any such suggestions?

THE PRESIDENT: No, not at all. I cannot comment on it any further than to deny it and simply repeat that I cannot discuss in any way anything relating to the decisions.

Q In connection with money, London is asking this morning what would be the attitude of this Government to overtures from London and Paris to discuss-

ing currency stabilization?

THE PRESIDENT: What is that, the London County Council? (Laughter)

Q One of our clients, the London Daily Express.

Q Mr. President, any comment to make on the World Court?

THE PRESIDENT: Only I should say this: that I am very grateful to Senator Robinson for the very able and honorable fight which he conducted and to the others who supported the World Court, and I am sending him a note to that effect today.

Q Can you tell us anything about the Automobile Code?

THE PRESIDENT: Not intelligently because I am not intelligent in my own mind about it. We are talking about it.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #180,
Executive Offices of the White House,
February 1, 1935, 4.15 P. M.

THE PRESIDENT: I haven't got anything; I haven't been able to discover anything.

Q We have a lot of questions today, Mr. President.

THE PRESIDENT: You know what happens when you have a lot of questions; you get no information.

Q Steve (Mr. Early) has got a new gray suit, too.

Q For a wonder.

THE PRESIDENT: Has he?

Q One flight up saves you money, Mr. President. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: The only news was discovered by the front row -- Steve has a new suit.

I do not think there is anything in the way of news and I think we had better go off the air this afternoon until Monday morning. I have not any appointments except possibly the Brazilian Treaty signing but I do not know what time it is.

Q What time?

THE PRESIDENT: Saturday, I think.

Q You say that will be Saturday?

THE PRESIDENT: So I understand but, as I say, I haven't any final word on it.

Q Reports were current this morning that you had abandoned the plan to send up the St. Lawrence Treaty to this session of the Congress.

THE PRESIDENT: Does that come from the London County Council also?

Q It came from the Congressional Council.

THE PRESIDENT: That is very much the same idea.

Q Can we tell Canada anything as to that?

THE PRESIDENT: No, I do not think you can tell Canada anything.

Q Have you received a telegram from the head of the Square Deal Association in Louisiana asking for a committee to investigate the activities of one Senator Huey P. Long?

THE PRESIDENT: Not unless Mac (Mr. McIntyre) has.

Q They made public a copy down there of a telegram purported to have been sent to you.

THE PRESIDENT: Mac swears he has not and I know darned well I haven't.

Q Has the tobacco manufacturers' code been called to your attention?

THE PRESIDENT: Mac, isn't that the one we lost?

Q That is the Cigarette Code.

MR. McINTYRE: Yes, sir; that is the one we lost.

THE PRESIDENT: We lost it. (Laughter) Mac came into my room, "They are all asking about the Cigarette Code." I said, "I haven't seen it." We went through the old wire basket and it wasn't there so we have been looking for it ever since. It will be presently found, I hope.

Q Mr. Green seems to be very much grieved over the automobile settlement and particularly over the fact that he was not consulted. Can we say anything about that?

THE PRESIDENT: No. I think the only thing to be said on that is that we have had letters from Mr. Green and we have had letters from the other side and we have known their position, which was a perfectly definite position, for over a month. The position was made perfectly clear and, therefore, I do not know that one can say that he has not been consulted. He made his position perfectly clear.

Q Of course, they began by withdrawing from the whole procedure?

THE PRESIDENT: Yes.

Q In that connection it is reported that the majority of the NRA Board voted against the extension in the form in which it was extended. Can you tell us anything about that?

THE PRESIDENT: I don't know.

Q Mr. President, are you going to sponsor or is the Administration going to sponsor a liberalization of the Social Security plan?

THE PRESIDENT: How do you mean, a liberalization?

Q Perhaps increase some of the amounts.

THE PRESIDENT: No. If you want, I will talk to you just to give you a little bit of information -- Just off the record on this thing. As the thing stands, I cannot even talk as background, coming from here. It is in the very parliamentary stages of discussion on the Hill but, if you want, I will talk to you off the record just to give you a slant on the Security Bill as I see it in the present form.

The first part of it, the unemployment insurance, there does not seem to be much discussion about the cost to the Federal Government. The cost is about five million dollars a year for overhead, which is a perfectly frightful amount for the Federal Government to pay. The rest of it will be self-sustaining.

Then the other items like widows, dependent children, a small item for health, et cetera, all of which figure up to about fifty million dollars, are also within the purse of the Government to pay.

Then we have to come to the third -- did I talk to you about this before? I have a sort of vague idea that I did, but it must have been the Senators to whom I talked. The other item, which I think is the one Eddie (Mr. Roddan) has in mind, is the scale of payments for old age. That has been gone into, of course, with a great deal of care, and you

have to think that problem through in all ways. You have to think of it from the standpoint of present cost, this year, next year, the next five years, the next ten years, and you also have to think it through from the point of view of fifty years or forty-five years from now. Obviously, if we put through an old-age insurance plan which the current taxes would cover during the next few years, we have to wonder as to whether current taxes would carry the plan on the basis of the year 1980, because we do not want to put through a plan this year which would bankrupt the country forty-five years from now.

Now, the problem has been to find a method between now and 1980 which will take care of the present old people over sixty-five who have contributed nothing to the fund, and the people of sixty and fifty-five and fifty and forty and thirty and twenty-five, all the way down to the people twenty-one years old today, who will not have contributed the full amount to the fund. And the way we worked it out and the way it will be presented next Tuesday to the Committees is in a form which is based, of course, on actuarial tables -- and you have to go on them -- it will cost the country, the Federal Government, by 1980 somewhere between two hundred and five hundred and fifty millions of dollars a year. Now, that is a pretty big sum. It means raising that additional amount by taxation.

Q In what year?

THE PRESIDENT: 1980. That is based on a constantly increasing annual cost between now and 1980. But, thinking of the country in expanding terms, and the country will probably be richer then, and we hope it will, even if it goes to the maximum of five hundred and eighty-five million dollars which is the top estimate, that, probably by that time, will be a sum which could be properly raised in additional annual taxes.

Now, that is based on, as I say, taking care of the old people now

who are over sixty-five and taking care of the difference between what they would pay in premiums and what they would get from the people between twenty-one and sixty-five. In other words, they would be the ones who would need it. It would be based upon a needs clause. The top limit that the Federal Government can spend to make those figures out is $15 a month for old people. If you go above that, your figures multiply, I should say roughly, as the cube of the amount or the square of the amount. In other words, it does not go up in proportion but it gets worse with every dollar you add to it.

It has been found by experience, based on the present cost of living in the states that have old-age pensions like, for instance, the State of New York -- for example, in the State of New York, the average pay is $250 a year. Oh, it is not very good living, no, but it gets most of the old people by.

Now, under this plan, there is $15 a month from the Federal Government and $15 a month from the State Government. Of course, they can add to it and make their share more than $15 a month. With $15 a month from each it comes to $360 a year. There again, you come to the other problem. $360 a year in Warm Springs would get you by, you could get along very nicely. But $360 a year in the Village of Hyde Park would not go very far.

However, you have to average your country, unless you start discriminating in favor of one section as against another section. But the main point is that if we go beyond that, we get into perfectly fantastic figures as to the ultimate cost to the Government and, obviously, we cannot do it.

Q Could you make it clear as to why it costs more than the direct ratio as you put the amount up?

THE PRESIDENT: No, I cannot. It will take an actuary to do it. I don't know why, except that it does.

Q Did they compute this five hundred and eighty-five million dollar figure, estimating that the contributory system gets in full working order in the meantime?

THE PRESIDENT: That is based on its going into full working order right away.

MR. EARLY: If they will use that as an explanation of the Bill, I don't think they will confuse that with Congress.

THE PRESIDENT: As long as this does not confuse the whole problem in the minds of Congress, by my saying anything at this time, Steve thinks it is all right to use that as background.

Q What was it you said would be explained to the Committee on Tuesday?

THE PRESIDENT: The Secretaries of Treasury and Labor are appearing before one of the committees, I think on Tuesday.

Q When will the Henderson-Lubin report be made public?

THE PRESIDENT: What is that?

Q The automobile investigation report.

THE PRESIDENT: I guess that is lost, too. I do not know where it is; that is in my basket.

Q Any comment or background on the Russian debt situation?

THE PRESIDENT: No, I think the State Department gave out a statement this morning, didn't they?

Q They gave out a statement last night but it was not very enlightening.

THE PRESIDENT: Didn't the Secretary of State talk to you about it this morning?

Q Not to any great extent.

THE PRESIDENT: Try him again.

Q Returning to the St. Lawrence, sometime ago you said you were going to submit it to this session of the Congress. Has there been any change in that?

THE PRESIDENT: In view of the actual situation, I had better not say anything today.

Q What is the situation on the relief bill in the Senate?

THE PRESIDENT: I do not know; I have not heard anything about it.

Q Can you tell us whether Litvinov in his discussions with you relative to recognition made any promise that Russia eventually would settle the debts?

THE PRESIDENT: I think you had better get it from State Department statements. That is one thing you have to phrase exactly.

Q Secretary Hull said he could not remember whether you had said anything or not.

Q Any preparation for a World Economic Conference?

THE PRESIDENT: I have not heard a word about it.

Q Can we phrase it this way: Was it our understanding that they promised to settle debts?

THE PRESIDENT: I think there was a formal statement at the time.

Q Expressing optimism over the possibility of a quick settlement?

THE PRESIDENT: You check back and I think you will find some pretty definite statements on it.

Q At the State Department yesterday Mr. Hull said it would now be up to the Board of Trustees of the Export-Import Bank to decide whether there was any sense continuing the use of that bank. Can you tell us of any steps taken along that line?

THE PRESIDENT: Not that I know of. I imagine the thing will be discussed and it will hinge -- that is the first bank, isn't it?

Q Yes, sir.

THE PRESIDENT: As to whether they could find some logical use and reason for continuing on some other lines. I have not talked to them about it at all.

Q Anything to say about the letter read before the munitions hearing today

that funds were collected for the Democratic Party in the 1932 campaign from shipbuilders that were solicited for funds?

THE PRESIDENT: In the 1932 campaign?

Q Yes, sir.

THE PRESIDENT: I do not know anything about it. I remember vaguely in 1932 that there was some kind of a story came out about being solicited and everybody apologized at National Headquarters and said it should not have been done and was not done with their authority. Is that the thing?

Q I do not know whether that is the same thing or not.

THE PRESIDENT: As I remember it, it all came up in the 1932 campaign. Somebody was supposed to have solicited them and he was promptly dismissed.

Q Did you see Mac's (Mr. McIntyre) picture in the paper this morning?

THE PRESIDENT: Yes, and it is perfectly fine. Hereafter we will get it in the papers every day.

Almost every night, around half past 5.00 or 6.00 or 6.30, every manufacturer of great wealth and lobbyist drops in on Mac and says, "Will you put this on the President's breakfast table at 9.30 tomorrow morning?" And Mac says, "Of course I will," and that is the beginning of the story and the end of the story. By 9.00 A. M. -- no, not 9.00 -- by 10.00 A. M. the thing is safely tucked in the files.

Q In that connection, do you care to comment on the testimony of Mr. Wilder that his company was refused two naval contracts? I remember you spoke about it a year ago, at the time?

THE PRESIDENT: Do you remember my off-the-record comment at that time? I do. It will have to be off the record again -- "Wilder and wilder."(Laughter)

Q Some months ago we were talking about a mercantile marine program for the future and you told us one day about possible plans to substitute direct ship subsidies for these postal contracts?

THE PRESIDENT: Yes?

Q Have you given any further thought to that?

THE PRESIDENT: A great deal, and probably something along that general line will be included when I send up the shipping reports. There will be a report on this post office investigation and, I think, a report from the Department of Commerce. They will go up to the Congress in the next two weeks with a Message somewhat similar to the aviation Message.

Q Dealing with both ships and airplanes?

THE PRESIDENT: Ships only.

Q Post Office and Commerce?

THE PRESIDENT: Yes.

Q Mr. President, to get back to Huey Long -- down to Huey Long (Laughter) -- the president of the women's clubs down there is reported this afternoon to have sent a telegram to you stating that the women have been threatened by Huey Long. Have you received that telegram?

THE PRESIDENT: Mac (Mr. McIntyre) ought to know about that.

MR. McINTYRE: No, sir; I have not seen it.

Q Have you looked downstairs? It might be on the table?

MR. McINTYRE: I have not looked.

Q (Mr. Stephenson, of the A. P.) Incidentally, Huey Long had two bodyguards beat up an A. P. photographer.

THE PRESIDENT: Gosh! Now, that is serious. (Laughter) We will have to do something about that.

Q (Mr. Stephenson) O. K.

Q Mr. President, anything on the holding company Message?

THE PRESIDENT: I don't know; not yet. I have not had a second conference yet.

Q Can you tell us anything about the banking legislation?

THE PRESIDENT: No.

Q Mr. President, now that the Wolman Auto Board has been written into the Auto Code --

THE PRESIDENT: (interposing) It has not.

Q It has not? I understood that that was in the Code?

THE PRESIDENT: No, it was merely a continuation of the board which was set up originally by the Government.

Q What is the status of that board in relation to the National Labor Relations Board?

THE PRESIDENT: I did not know there was any status.

Q I did not know and we have not been able to get it clear.

THE PRESIDENT: That board was my baby.

Q Has the survey been completed on the amount the Home Owners' Loan (Corporation will need for this new program? Any reports?

THE PRESIDENT: Yes, it has been decided on and I think the proposed legislation, as a whole, was taken up by the Home Owners' Loan Corporation to the Committee, to show to them. I cannot tell you unless it has been taken up and it should break from there.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #181,
Executive Offices of the White House,
February 6, 1935, 10:40 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: I ran down a story this past week that I think would probably interest you because I got very much interested in it as it developed.

You read about those alcohol deaths up in New York, and Utica and Gloversville. We ran them down and made a little chart. I got the Treasury Department to make a little chart showing where the alcohol came from.

At the bottom of one side are the Utica cases. In the Utica case it came up through two gentlemen who were under $2,000 bond and disappeared. They got it in turn from three gentlemen already under indictment, who in turn got it from a rubbing-alcohol company.

In the case of the Gloversville deaths, it went up through a lady and her son and then a garage keeper and then another gentleman and then a gas station and finally came to the point of origin, which was one of those non-freezing mixture companies.

Well, I began inquiring and found out that the present chief source of bootleg liquor has been reduced to things like alcohol-freezing mixtures and rubbing alcohols, showing the straits that they have been put to in getting alcohol. In other words, we are closing in on them and from the domestic point of view it is practically impossible for them now to get alcohol to make liquor out of, except by using these poisonous ingredients, these poisonous bases.

That brings up the question of supply from external sources. We have had, as you probably know, a great deal of trouble over a new type of rum runner. It is not the rum runner that brings in scotch and champagne, etc. as they did in the old days. It is the rum runner that brings in alcohol, and we have closed up, with the cooperation of the Canadian Government, the Canadian source of that raw alcohol. They are working in excellent cooperation with the Canadians and we have closed up the Canadian source.

We have also closed up the Cuban source. The Cuban Government is giving excellent cooperation. We have also closed up the Bermuda source, because the Government of Bermuda requires that every vessel that clears from Bermuda - of course it has to clear for some definite port - requires that every vessel furnish a certificate that the vessel has actually gone to the port for which it cleared.

Now, that leaves us certain unblocked holes, principally on this coast, such as Newfoundland and St. Pierre. We have had up with the British Government for a long time, since last September, the question as to whether the Newfoundland Government would cooperate. It is now no longer an independent government with almost Dominion status. It became a Crown Colony because it went into bankruptcy and it is now being administered as a bankrupt Crown Colony and is therefore directly under the Colonial Office in London. We hope that they will go along with us. They have replied to our request and they say that they are in cable communication in London with the Governor of Newfoundland as to what they can do to require these landing certificates from the port to which the ship clears.

This is not just a question of stopping the alcohol from coming

in. I will just give you an illustration: There was a ship that came into St. Johns, Newfoundland, about ten days or two weeks ago with a cargo of alcohol. I think it was from Belgium or Holland. That ship cleared from Fort St. Pierre, only a few miles away, a French port, and so far we have been unable to get any satisfaction from the French Government in regard to clearances from St. Pierre.

This ship went to St. Pierre, unloaded it on one side of the dock and promptly, behind canvas screens, loaded it into rum runners.

Now, the point is that that one cargo alone, if it gets into the United States, will defraud the United States out of $3,000,000 of revenue.

The French Government has had the matter up for a long, long time and their latest word to us is that they will have the same requirements as to certificates in St. Pierre if the British do the same thing in St. Johns, Newfoundland. So that is where the matter rests.

Further south, there are one or two others, principally British Colonies, the Bahamas, where there is a pretty substantial leak, the British Honduras, where there are a good many of these alcohol carriers -- not liquor but alcohol carriers. They start a cargo from there and of course none of them ever go to the point of destination in their clearance papers. They just move out into the high seas and trans-ship to the smaller boats which run into the coast.

But the general picture is two-fold, that they are being reduced in this country to rubbing alcohol and freezing mixtures and that we are gradually getting on top of the alcohol running situation. Of course our objective is to prevent this defrauding of the Government

of this large sum of money which we estimate may easily run as high as 40 or 50 million dollars a year.

Q Are you making any progress with the Mexican authorities?

THE PRESIDENT: Yes. There hasn't been much coming in from Mexico.

Q I understand it is a serious proposition in California.

THE PRESIDENT: Yes, out there it is a serious proposition.

Q This 40 or 50 million dollars is rum-running?

THE PRESIDENT: Alcohol-running.

Q Will that 40 or 50 millions include domestic or just imported?

THE PRESIDENT: On the imported stuff.

Q Any calculation on the domestic?

THE PRESIDENT: Yes, but of course that is being reduced all the time. That situation is much better.

Q Mr. President, are you in favor of closing the Exchanges during the gold decision? The reports are that the Securities Commission is going to pass it on to you.

THE PRESIDENT: I don't know a thing about it. I haven't discussed it with anybody and shall not.

Q Mr. President, Mr. Green of the American Federation of Labor gave the Press a statement Saturday night in which he said he received a letter from you saying that you consider it inadvisable to remove Mr. Williams (Clay Williams) from the chairmanship of the N. R. A. Board. Will you be good enough to let us know whether you were correctly quoted in that letter?

THE PRESIDENT: I would hesitate to say so unless I had the letter.

Q Have you found the Cigarette Code?

THE PRESIDENT: You know, as a matter of fact it got lost at 9:00 o'clock

in the morning and we did not start to look for it until after you people had been in in the afternoon. Of course, the first thing we did was to check our files and we found that it had gone over to the Labor Department for certain comments. We knew where it was about half an hour after you were here.

Q Is it still over at the Labor Department?

THE PRESIDENT: No, I have it here.

Q Is it still the plan to do work relief with direct labor? There has been no change in that plan?

THE PRESIDENT: You mean in accordance with my Message?

Q Yes.

THE PRESIDENT: No change in that.

Q Mr. President, can we induce you to comment on Mr. Litvinov's statement that you promised him a loan?

THE PRESIDENT: No, you will have to try the State Department again.

Q In your Message to the Congress on the banking bill, you made no specific recommendation that it be passed?

THE PRESIDENT: No. Of course it makes a lot of space and you can write inches on it but the only object of having bills prepared -- unless there is a very rare emergency case; that is a different thing; there have been one or two in the past years, but only one or two -- is to make it perfectly clear what the general principle or general objective is and in nearly all cases the people on the Hill have something to work on. That is the beginning and end of it.

Q Anything you can tell us about the proposed barter agreement with Germany?

THE PRESIDENT: With Germany?

Q Yes.

THE PRESIDENT: I do not know anything about it.

Q The half million bales of cotton?

THE PRESIDENT: That is that old one?

Q Yes.

THE PRESIDENT: I think probably that will be made clear. Of course the real answer on that cotton deal is a perfectly simple thing: We were offered 25 per cent in cash and 75 per cent in goods. The great immediate question was, Wouldn't those goods have come in under the antidumping clause? If they were goods sold in Germany and other nations at the same price they sold to us, it would be a different thing. But the importers didn't think they could sell that goods except in violation of the antidumping agreement.

Q Then that particular deal is out?

THE PRESIDENT: Yes.

Q Would you care to comment on the report that the R. F. C. policy of making loans to weak railroads has been changed?

THE PRESIDENT: Not that I know of.

Q Getting back to the banking bill, one statement on which there has been much comment is the very brief statement that they are going to repeal the legal requirements for Federal Reserve notes. Is it true that they are aiming to repeal the 40 per cent requirement in connection with the currency?

THE PRESIDENT: I do not think there is anything in it. I don't think anybody thought of it at all on that line. I think that is just a fantastic thought.

Q Nobody has been able to explain it up to date.

Q Returning to alcohol, did I understand you to say that you are satisfied with the progress?

THE PRESIDENT: I think we are making real progress. If we keep this alcohol out, it helps tremendously. This one ship had aboard 34,000 cases. That was it, 34,000 cases of alcohol. I don't know how much liquid there is in a case but it is an awful lot. I do know that it had $3,000,000 of tax value.

Q Can you tell us what proportion is coming from the Canadian Border?

THE PRESIDENT: Practically none. The Canadian Border is in very good shape and we are getting excellent cooperation.

Another interesting thing is that, for the first time in history, there are two countries which have got together for the joint patrol of a border. We have some planes up on the Canadian Border and we said to Canada, "Why should we each of us have planes? Why not put a Canadian Royal Mounted policeman in the plane with our American Federal officer?" As a result, these boys are going together in the plane. Thus, they can go on either side. If it is on the Canadian side, the Canadian officer makes the arrest and if it is on our side the American officer makes the arrest.

Q How long has that been going on?

THE PRESIDENT: Four or five months.

Q Following Ramspeck's (Congressman Ramspeck) visit here, have you anything going forward with the Administration approval of the expansion of the Civil Service?

THE PRESIDENT: No. I can only tell you off the record on that -- this will have to be off the record -- Ramspeck asked me if it was true that I had endorsed Congressman Sirovich's bill and I said, "No." But

keep that off the record because I do not want a question of veracity raised.

Q Any announcement soon on the Cigarette Code?

THE PRESIDENT: Yes, pretty soon.

Q In connection with Williams (Clay Williams), can you tell us your plans for N. R. A. legislation and when they will be sent up?

THE PRESIDENT: Still in the discussion stage. I hope in the next week or ten days to have something definite.

Q Will you comment on the reorganization of the Agricultural Adjustment Administration?

THE PRESIDENT: What is that? What has happened to it?

Q They divided it into six separate divisions and transferred the Legal Division to the Department (of Agriculture) Solicitor and reorganized the Consumers' Council, involving the resignation of Frank (Jerome Frank) and his staff and a new head for the Consumers' Council.

THE PRESIDENT: I never knew about it; purely an internal matter of law.

Q In connection with the Triple A, is that intended to become shortly a permanent department as a division of Agriculture, or will it remain as an allied agency?

THE PRESIDENT: My process of thinking has not got that far. We are just going on as we are.

Q Under the Public Works Bill, the money is limited to two years. Can you tell us the type of projects which will be started in two years? Heavy projects cannot be started?

THE PRESIDENT: Oh, yes; it depends on how far you go with them.

Q If you have not finished in two years?

THE PRESIDENT: Does it have to be finished in two years? We can do a lot of work in two years.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #182,
Executive Offices of the White House,
February 8, 1935, 4.12 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: There is very little news today except one piece of news that I decided on late last night, the appointment of a new chairman for the American Red Cross, Admiral Cary T. Grayson.

Q Is he identified with it in any way?

THE PRESIDENT: He will not take office until the first of March.

Q Is he identified now with the Red Cross?

THE PRESIDENT: I do not think so. However, he has worked with it a great deal.

Q That is not the chairman?

THE PRESIDENT: Chairman, yes.

Q Do you officially designate that officer?

THE PRESIDENT: Yes.

Q Have you offered a new appointment to Jerome Frank?

(The President shook his head in the negative.)

Q Could you tell us about plans for the NRA, when the Message will go up and what will be in it?

THE PRESIDENT: And a few other things, Stevie (Mr. Stephenson). I do not know; maybe some day next week if I get around to finishing it this week end and I cannot tell you what will be in it because I have not written it.

Q I understand that you have not declared the emergency on cotton to continue to next year. I understand you have to do that for the Bank Act to be continued?

THE PRESIDENT: I don't know; I will have to check on that.

Q The NRA officials thought that the Automobile Code would have to be renewed before the next production season. Can you tell us anything about that?

THE PRESIDENT: Before what?

Q Before the next production season?

THE PRESIDENT: It is only good until the sixteenth of June.

Q The Henderson report on the Automobile Code indicates that the Board in Detroit felt that there were some conditions up there unfair to labor. Do you plan any action along that line?

THE PRESIDENT: Do they make any recommendations for further action at this time?

Q Yes, sir; they did recommend that a board be appointed. They did not make it quite clear or what effect it would have but recommended that a board be appointed for the whole industry, including the dye manufacturers. They said that apparently the board had not solved the problem for successful collective bargaining.

THE PRESIDENT: Of course the only answer is that between now and June sixteenth we will be looking into things that are not clear and trying to prepare for the correction of them. There is no specific appointment of anybody, however, to look into it. We are all studying it all the time. It is a continuous thing.

Q How about reopening the Automobile Code before it is renewed next time?

THE PRESIDENT: Why should it be?

Q In line with this report?

THE PRESIDENT: No; it is extended to the sixteenth of June.

Q I mean after the time of renewal, how about reopening?

THE PRESIDENT: This is only extended to the sixteenth of June. I do not know what is going to happen after that. We will have to have a new NRA Act before the NRA is out itself on the sixteenth of June.

Q What is the status of the Cigarette Code? (Laughter)

THE PRESIDENT: Well, it has been read once and is half way through being read a second time. I am asking various questions about it.

Q How many more transportation Messages will there be? Any idea of how soon they will go?

THE PRESIDENT: It depends on how hard I work over the week end. I hope to get to shipping one up sometime next week.

Q The one after that?

THE PRESIDENT: You are getting a little previous; I do not know.

Q On shipping, will there be a Message with that report?

THE PRESIDENT: Yes, a very short one.

Q Are there any new developments in the St. Lawrence Waterway Treaty?

THE PRESIDENT: No; nothing further.

Q Have you had a chance to read that Deficiency Bill with the pay restoration tacked on it?

THE PRESIDENT: No -- that is not strictly true; I have read it once and have it over at the (White) House.

Q It is back?

THE PRESIDENT: Yes, I have it. It has not been signed yet.

Q When shall we expect you to sign it, Mr. President?

THE PRESIDENT: I have not acted on it yet and I do not know when I will act on it.

Q Mr. Young (Mr. J. Russell Young) is probably trying to find out.

THE PRESIDENT: That is just what he means and I am trying to tell him that I won't tell him. Right, Russ?

Q (Mr. Young) I did not ask, though.

Q Can you make any comment on the situation in the Appropriations Committee on the $4,000,000,000 bill?

THE PRESIDENT: No, I do not know anything about it except what I read casually in the newspapers. Very casually, I might add. (Laughter)

Q In that connection, Senator Nye offered an amendment today to prohibit any

funds being used for ship construction in private yards. It was voted down and afterwards I understand he said that you favored it.

THE PRESIDENT: No. I called him upoon the telephone when I heard about it and I explained to him the simple fact that contracts in private yards are for large ships which take, I do not know what, two or three years to build, and the money has to be spent, if we can spend it, before July, 1936. You cannot spend any money in giving contracts to private yards. That seems obvious.

Q How about any ship construction? Should any part of the $4,000,000,000 be used somewhere else than in private yards, like building ships in the Navy Yards?

THE PRESIDENT: I do not think so.

Q It is intended that state cooperation in these various forms of relief or rehabilitation will be entirely voluntary?

THE PRESIDENT: How do you mean?

Q For instance, if one state should be disinclined to participate in one of your rehabilitation schemes, would it be the inclination of the Administration to penalize them by withholding other forms of relief?

THE PRESIDENT: Oh, no.

Q That situation would be in Connecticut where the Assembly is turbulent over setting up a rural rehabilitation corporation. They are very much afraid up there that you won't give them money.

THE PRESIDENT: Oh, no; nothing like that.

Q This prevailing wage amendment, can you discuss that?

THE PRESIDENT: All I can do is refer you to the Annual Message.

Q Thank you.

Q There is one question: It seems there is an anti-child labor organization complaining that you are exerting influence with state legislatures to

have that amendment ratified?

THE PRESIDENT: Not exerting influence. I made my position very clear a year ago and I have stuck to that.

Q And that is?

THE PRESIDENT: No.change. I am in favor of it but I am exerting no influence.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #183,
Executive Offices of the White House,
February 13, 1935, 10.47 A. M.

THE PRESIDENT: I don't think there is any special news this morning. The loss of the Macon, of course, is a terrible shock. We feel awfully badly about it and especially the men who were lost with her. The Navy seems to have done a pretty good job in rescuing the men.

I signed this morning, the resolution, the Joint Resolution, making appropriations for the Federal Communications Commission, which also sets forward the date on which Government employees shall receive full salary, setting it forward from July 1 to April 1.

This decision of the Congress, it is estimated will constitute an additional charge on the Government of about $16,000,000. I think it is fair to note that this sum was not contained in the Budget estimates and, therefore, that consideration should properly be given to methods by which Government revenues can be increased to meet this and any other new appropriations that tend to throw the regular budget out of balance.

So much for that.

Q Are you asking for state NRA legislation at this time?

THE PRESIDENT: No.

Q Mr. President, are you giving that statement out?

THE PRESIDENT: Yes.

Q Does that mean new taxes to meet this?

THE PRESIDENT: All it means is just what it says. (Laughter)

Q Do you care to comment on Secretary Morgenthau's statement that the country can go ahead with business with the assurance that the Administration is prepared to manage the external value of the dollar?

THE PRESIDENT: I think somebody asked that question and he said it had taken him a long time to write it out in just that language.

Q Would you favor the idea of the Federal Government purchasing the entire East Texas oil field by condemnation?

THE PRESIDENT: By what?

Q By condemnation and running it for --

THE PRESIDENT (interposing) That is awfully early in the morning to bring a thing like that on me. (Laughter)

Q Representative Dies introduced a bill to that effect?

Q There was a story that General Wood, head of Sears Roebuck, has been invited or will be invited to head the NRA as a single administrator like General Johnson.

THE PRESIDENT: What was that, U. P. or A. P.?

Q U. P.

Q We are raising the ante, Mr. President.

THE PRESIDENT: The first time that the A. P. carried that I said it was 100 per cent fake and the next time it was 110 per cent fake and this time it was 120 per cent fake and I think that Eddie Roddan (representing the International News Service) scores.

Q (Mr. Roddan) We are both wrong.

THE PRESIDENT: That is off the record, for the Press Associations. It is all right -- just information.

Q Mr. President, do you favor Federal control of the bituminous coal industry?

THE PRESIDENT: That is another early-morning question and, of course, the real answer is this: That the whole coal problem has been an awfully difficult one for a great many years. We have probably, for the last twenty years at least, had altogether too many people engaged in the coal mining industry and we are trying to work things out so that the industry

can be stabilized.

As a matter of fact, this particular code they are working under now seems to be fulfilling the requirement of giving people steady work through the year and I see no reason at the present time to change, if the present method will continue to work. If it does not continue to work, we will have to try something else.

Q If I may be permitted to return to that pay (question): That $16,000,000 you speak of, that is new pay between April first and July first, but you had made provision from July first?

THE PRESIDENT: Yes, that is in the Budget.

Q Are you ready with the NRA Message?

THE PRESIDENT: No.

Q How about the steamship and ocean mail?

THE PRESIDENT: To tell you the honest truth, I haven't got to it. I have a very rough draft. I hope to have them in a few days but I could not tell you which.

Q Are you considering George Berry for an executive job under the $4,000,000,000 program?

THE PRESIDENT: That must be an INS story. We have got to have something on them. (Laughter)

Q Do you care to comment on Senator Bankhead's bill proposing to set up a billion-dollar corporation to loan money for purchasing farms?

THE PRESIDENT: No. I read about it in the paper.

Q Mr. President, does the Macon disaster, will that make any change in your policy toward airships?

THE PRESIDENT: No. On the question of airships, I think we all have to be a little careful not to overstep one way or the other. The rigid type of airship first came into war use fairly early in the World War. Some

of you may have been in London or Paris when the Zeppelins were dropping things. It was not a pleasant experience at all. I was in London when one of the Zeppelins happened to go by at night. They served in 1916, 1917 and 1918, a very definite war function and naturally, people went on with the development of them. In those days, during that development period, from the Navy point of view, they were considered useful for scouting over large sea areas, not useful for attacking ships but primarily for scouting purposes.

Of course, we have had some awfully hard luck with our Navy dirigibles. So did Great Britain and so did France and so did Italy and, incidentally, during the war the Germans lost an awful large number of airships, not from attack by the enemy but caused by the weather.

The Macon is a very good example of a ship on which we learned a great deal. You might check up with the Navy and find out how many miles she flew. She flew a great many thousands of miles without disaster.

I was talking to the "three musketeers" this morning about the time when we were about half way between the Panama Canal and Hawaii, which is about as far as you can get off the beaten track, last July and suddenly, without any warning -- I think we were 1500 miles from Los Angeles -- about six or seven o'clock in the morning there comes a radio out of the air that says, "Please give us your position."

We had no idea that the Macon was anywhere near us. A couple of hours later she appeared out of the sky, 1500 miles from land. It was just a little practice trip. She was up in the air for perhaps three or four days and probably covered between 3,000 and 4,000 miles on that one trip but it was such an ordinary, normal occurrence that if she had happened to be down in the vicinity of the Houston, the papers would not have carried even a story about that little 3,000 or 4,000 mile trip she

was making.

In other words, she did succeed in covering a great deal of territory and getting a lot of experience and data on that type of scouting at sea.

There is no thought at the present time of asking Congress for an appropriation for another ship. We have to think about dollars and cents and I think most of us feel that if we can afford the cost of a new ship at this time, we would like to put that money into long-range scouting planes. Roughly, you can get about 50 long-range scouting planes for the cost of a new dirigible. It does not mean, of necessity, that the development of lighter-than-air craft is finished in the world's history. You cannot tell. But we are not asking for the building of new ships in this Congress. That, literally, is about all there is to be said about it.

Q Would this make any difference in the policy of getting and storing helium?

THE PRESIDENT: I don't believe so, because helium is being used commercially in other things. We get a good many requests from scientists all over the world for the release of Government helium. We export Government helium in small tanks to them for experimental work on entirely different lines of science having nothing to do with aviation.

Q You discussed the military uses of airships. How about the commercial uses?

THE PRESIDENT: The commercial uses?

Q Is that a different category?

THE PRESIDENT: Of course, that is a different category and we are not asking Congress for anything at this time. What the next development will be, again, I don't know. The Germans are building a new commercial carrier to come over here this coming summer and the Navy is letting them use the New Jersey hangar.

Q Mr. President, you speak of 50 scouting planes as something you might do if you had the money?

THE PRESIDENT: Yes.

Q Do you consider that the combined Naval and Army air forces are now adequate, or is the program adequate?

THE PRESIDENT: It is going ahead about as fast as it can. That is the best answer.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #184
Executive Offices of the White House,
February 15, 1935

THE PRESIDENT: The only important news is that Steve is back. He is trying to hide. You might interview him.

Q Is that tan only external?

MR. EARLY: That tan is not only external.

Q Mr. President, have you any doubt that you can spend four billion dollars of public works funds in one year?

THE PRESIDENT: What do you mean any doubt? We are going to do the best we can.

Q In view of the continued decline in cotton exports in January, and Mr. Jenning's (?) trip to Europe is there any question of re-opening the cotton program, or part of it?

THE PRESIDENT: No.

Q Not even after this year?

THE PRESIDENT: No. No change is contemplated. It is merely, as I told you -- merely an exploratory trip to talk with people and to see if we can try to work out something on the world cotton surplus problem. That is all. It has no relationship to future problems or anything else, or whether we keep them or not.

Q There is considerable agitation now for the repeal of publicity on the Federal Income Tax law. Do you mind telling us your views as to the advisability of that legislation?

THE PRESIDENT: The only thing I can tell you is that the matter has not come before me.

Q Will this Nye-McCarran resolution for an NRA investigation affect your plans for sending up legislation?

THE PRESIDENT: I don't know. I can't discuss any pending legislation in Congress.

Q It might delay you?

THE PRESIDENT: No, it is going up very soon.

Q Is there anything you can tell us about the visit of the New York Legislative Committee today with reference to improvement of the Western end of the canal? Did you have a conference today with them?

THE PRESIDENT: No, -- the western end of the barge canal? No, I haven't seen them at all. Have they been down here?

Q They were down for a hearing. Can you tell us anything about the visit of Mr. George Harrison?

THE PRESIDENT: Is he here?

Q I understood he was seen emerging from the White House.

THE PRESIDENT: No, I haven't seen him.

Q Has Dr. Millis resigned from the National Labor Relations Board?

THE PRESIDENT: I have his resignation, submitted some time ago, but no action has been taken yet.

Q Was that submitted before your letter in the Jennings case?

THE PRESIDENT: I couldn't tell you. I don't know what the date was.

Q I heard it was.

THE PRESIDENT: I don't know.

Q There is a story in the New York Times to the effect that he resigned on account of the Jennings case.

THE PRESIDENT: His letter didn't say so.

Q You haven't acted on it?

THE PRESIDENT: No.

Q Can you tell us anything about the possibility of the Pure Food and Drug legislation passing? They say Senator Copeland has a bill. Has it been

introduced yet?

THE PRESIDENT: A subcommittee has been appointed to help hearings on it.

Q Will that be an Administration bill?

THE PRESIDENT: The Administration would like to have a bill to tie up with the Pure Food and Drug Act, which has not been touched since 1906 -- that's all.

Q Is Mr. Smith of the Labor Board resigning?

THE PRESIDENT: Not that I know of. I haven't seen his resignation.

Q There seems to be some little difficulty between points of view taken by the Labor Relations Board and the Automobile Board and other special boards. Will you comment on that? -- majority rule, for instance?

THE PRESIDENT: I don't know what the difficulties are.

Q Would you care to state your attitude on the Rayburn and Wheeler holding company bill?

THE PRESIDENT: I have never seen it. This is the same old thing. There isn't a story. When I say I haven't seen a thing you can't write a story that the President discussed the paternity of this, that or the other thing. I don't comment on pending legislation one way or the other, and no deductions are to be made from that statement one way or the other. I don't comment on pending legislation. Lots of things happen to legislation on the way through the two Houses, and if I start commenting, as I have said two or three times before, on legislation as it comes through, there being every day committee problems, debates on the floor, etc., there would be no end to it. I am apt to comment on it when it comes to me but not until then, and therefore, please don't make deductions, because during the past week or two there were a number of deductions made which, frankly, were not exactly correct. I say what is a perfectly simple rule, and it is no different this year from last. I said it last

year and the year before -- deductions are probably 99 per cent wrong.

Q How are the business papers acting?

THE PRESIDENT: On the whole they are making a little better showing. You have a terrible problem -- I don't know how you can write when things change so from day to day.

Q Do you care to comment on the holding company legislation?

THE PRESIDENT: Well, I will talk entirely off the record about it. Here is the thing in the problem that we run into -- well, just for example, and this is not politics, one of the steamship companies which has, I don't know, about forty or fifty sub-companies, and a little group on the inside there control those through a holding company and through that particular holding company and these forty or fifty sub-corporations this little inside group acts as officers on those forty or fifty companies with the result that some of the people are drawing down $200,000 and $300,000 a year. The thing is disguised and people don't know it. Of course, we all know the way holding companies were financing -- putting in a whole lot of equity stock -- sometimes bankers got fifty per cent of it and the insiders got the other fifty. Sometimes it was sold to the public at more or less fictitious figures -- might have been ten, twenty or thirty a share -- you buying a pig-in-a-poke.

A fellow in New York, a friend of mine who is very well off, saved a couple of thousand a year and, starting about 1925 or '26, he went to one of the very finest banks in the City, to their trust officer and he said, "I want to invest where I will get a good return," and the trust officer said, "Well, I can recommend several bonds to you that will yield you about four per cent."

"No," he said, "if I want to take four per cent I can get that in a savings bank." "Well, I have some other bonds here" -- listing them off --

"yielding you seven per cent." "They are utility company bonds?" "Yes." The result was that year after year he bought one or two bonds yielding seven per cent and they were gold bonds. Of course, today he knows that they were not bonds -- that the security behind the bonds was common stock equity, that's all. They were just gold bonds and as a result his $20,000 he managed to save during those years now is worth about $7,000 and that's all, -- nothing behind it.

Then, of course, there were a great many other businesses that could form holding companies and the general thought is that we want to protect any actual equities that are in holding companies. They should be protected. But the fundamental theory of the holding company should dissolve itself into two factors: One is management, which is a perfectly harmless function if it is on a cash service fee basis. If you have ten or fifteen plants in one section of the country it is perfectly all right for them to hire a service company to run them. They should get the best experience they can, for a fee.

The other function of a holding company which is perfectly legitimate is the investment trust feature.

Story: A fellow came in to see me a couple of weeks ago -- a Scotsman who is over here, president of one of the very big Scotch investment trust companies. I had never seen him before and I asked him how big his trust was. He said, "About $450,000." Their headquarters are in Dundee.

"What are you invested in?", I asked him. "We have investments of about 40% in England and Scotland and the other 60% in other parts of the world." He came over to look into the American investments. "What do you do when it comes to investing in companies with voting stock?"

"We have a perfectly simple rule -- if there is no question in the

management of the company we just turn our proxies in to the management but if there is a single question in dispute when a vote comes up at the annual meeting we don't vote -- we keep our hands out of it."

"In other words, you don't participate in management at all in any of the companies you have invested in?"

"That's right -- we would not think of doing that. Our conception is that we are an investment trust."

"What happens in case one of the companies you have invested in requires reorganization? Do you participate in that?"

"No, we have nothing to do with management."

Now, that is the idea of an investment trust on the other side and they have never had any trouble at all. Those two functions of holding companies are perfectly legitimate -- the investment trust end and the service end, perfectly all right.

Meanwhile, we have to eliminate other functions of holding companies, trying to take care of any genuine equity that there may be in the holding company. A practical example is the Commonwealth & Southern. They would have outstanding fifty millions of so-called bonds -- they are not bonds at all. It was the terminology of the day. When they got them out it was all right. I am not blaming them. Today we know that the terminology was wrong. Suppose Commonwealth & Southern seeks to dissolve itself -- it is going to cause a hardship.

I was talking with the president of the company last week. The preferred stock holders and the common stock holders on present values would be squashed out by going into a receivership. Is not there some way we can devise to give to the bond holders not of law but of equity, and to give to the preferred stock holders something and give to the common stock holders a piece of paper which a few years from now might have some

value? They would not get very much as market value but some future equity possibly that would give them a little back.

It is a problem of reorganization on an equitable basis and the removal of certain parts. I think it can be worked out but we have not found a way yet.

Q Apart from holding companies -- is there some feeling that bigness of business is of itself undesirable?

THE PRESIDENT: I should say yes. I think there is. And one reason for that is that you are very much apt to get a business which is so large that the men at the top do not know enough about it. When Gene Grace came in last year I told him about some of the conditions in the Bethlehem Steel Company and he never had heard of them. Itwas not organized so that a knowledge could come through to the central source and he was astonished when I told him some of the things that had happened in his own company.

The question of mere bigness is not as important as the control of bigness. If you center in the hands of a very small number of people a great many inter-locking companies, you get a control of industry of the nation in too few hands. We are a great deal better off if we can disseminate both the control and the actual industrial set up as a whole.

And you have the problem when you do control things too much from one source in a small number of hands of uneconomic concentration. You have Pittsburgh going over to nothing but steel -- another city going over to nothing but automobiles. What do you have in Detroit today? A good illustration, automobiles far and away the major factor, the major industry in Detroit and if you strike a bad year or two or three the town is flat on its back. Today Detroit has a boom because of the automobile business. They would be much better off if they had a group of industries.

Q If business papers knew how they could help in this limitation of size they

would be very glad to help.

THE PRESIDENT: I don't think you can set any rule of thumb on size. Of course, we went back in the Sherman Anti-Trust days to something about 40% of an industry can be in control of one. You can help a lot on these things. Take, for instance, Kendall who was here with this committee in Commerce. He has gone to a great many company heads and asked them to help to distribute business and put it out into different communities. We are getting real help from them.

CONFIDENTIAL
Press Conference #185,
Executive Offices of the White House,
February 20, 1935, 10.45 A.M.

THE PRESIDENT: I win my bet with Gus (Mr. Gennerich). I told him we would have another snowstorm.

Q It is not quite a storm yet.

Q It will be nice and deep up at Hyde Park.

THE PRESIDENT: They will have good sleighing there over the week end. Bring your skis.

Q I think the poker room in the Nelson House will get a big play this time, Mr. President.

MR. DONALDSON: All in.

THE PRESIDENT: I think you have all got a copy of the message that is going up at noon today on the extension of N.R.A. I think it sort of speaks for itself. It covers the principles. It is about all one can say about it -- the principles are all right. Have you got any thoughts on it?

Q Mr. President, in that connection, it was suggested that it would not be necessary to put violators in jail; that there were better methods of taking care of that situation. What methods?

THE PRESIDENT: Court methods, provided you can get quick action on that. The problem with certain forms of court procedure is that -- well, for example, a firm which is trying to chisel to complete an order in thirty days and could get the order and process it and put it right through within the thirty days. Obviously, if you cannot get an injunction or whatever remedy is available until after thirty days are over, the man has made his profit and has got

away with it. What we are working on is a court procedure but of the kind which will immediately stop the practice if it is discovered and is found to be an unfair practice.

Q Another question which comes to mind, you mentioned regulation of coal, oil, gas, et cetera. Isn't that practically tantamount to making them public utilities?

THE PRESIDENT: That is an awfully difficult question to answer because the lawyers will say "Yes", some of them, and some will say "No." It depends entirely on the way you construe the original law on public utilities. Of course the original public utility was the ferry crossing the Thames and all of our laws are really based on the fellow crossing the Thames with regard to present public utilities. Other lawyers have said, "It has gone beyond that, it should go not only to the crossing of the river but also for any other natural products besides rivers."

Steve (Mr. Early) suggests that we hold everything I say on N.R.A. until the message is released.

Q Is this principle of the construction of a network of superhighways deserving of serious consideration?

THE PRESIDENT: That story in the paper this morning?

Q It is in the paper again this morning.

THE PRESIDENT: I don't know. It is difficult to answer that question. It is one of so many projects that have been talked about and studied. I have no idea what is ahead on it.

There is a general tendency, of course, to have all the highway money spent in accordance with state plans. Whether such state plans would develop into a new type of highway, that is rather a

question which is up in the air just now. Nobody knows.

The general thought lying behind the people who suggested it was the principle that has been used -- I think I have talked to you about it before -- what is called excess condemnation. For instance, in London they extended -- I think it was Oxford Street but I am a little uncertain on that -- they extended streets through London where what was a main street ended up in a network of merely lanes or passageways through slums, et cetera. They have carried the street through and instead of condemning just the street itself, 150 or 200 feet, they have condemned 300 or 400 feet on each side at the values of the property as they were before the improvement commenced. Then, after the street was finished, they sold off the property at a great profit. In some cases they have been able to pay for the entire cost of the project by the profit they make on the adjoining property which they had bought.

The same principle has been suggested to be applied to what might be called "superhighways" going through the country so as to avoid allowing a fellow who just had the pure luck to be left with his land on both sides of the highway to make a very large profit because the highway happened to come through his farm. The question is whether the principle of excess condemnation should not be applied in a case of that kind and if there is any profit accruing to the abutting property owner, it ought to be the state government or the local government that builds the road.

The same idea has been suggested in regard to things like lakes. For instance, those of you who were with us on the Upper

Mississippi trip last year will recall this: The Federal Government comes along and builds a dam and creates a 15-mile long lake. The people who, by pure chance, happen to have land above the new high-water mark, because it is a new high-water mark, can make a great deal of money by selling off the land for summer cottages, et cetera, at about $1,000. an acre. The question is whether or not the Government should not condemn further back than the high-water mark of the lake and make that profit itself.

It is a well-established principle on the other side and it has been done on a small scale in this country. It was done in New York City about four or five years ago on that Cherry Street condemnation.

Q Mr. President, in carrying out the road program, will there be a maximum amount of common labor used in this program, or will there be use of machinery?

THE PRESIDENT: Well, we will try not to be wasteful. In other words, we will try not to have the road cost more than it would otherwise, but we will try to employ as many people as we can.

Q Has the Federal Government now the power of excess condemnation or will there have to be legislation?

THE PRESIDENT: I don't know. I have never looked into it.

Q Can you tell us when your shipping Message will be going up?

THE PRESIDENT: I cannot give you the exact date. It might possibly go up Friday. Is Congress going to sit Friday? Does anybody know? I have not finished it. It is only about half done. If I get around to it and Congress is sitting, it will go up this week. If it is not finished or Congress does not sit, it will go

up next week.

Q Is the general transportation Message going up soon?

THE PRESIDENT: Not until about a week after that.

Q Does that cover Mr. Eastman's program?

THE PRESIDENT: That is a very tall order; he has got a very large program. I should say it relates to the principle of coordinating all transportation in one body, as I said before, instead of going into details on the various reports Mr. Eastman has made.

Q In connection with N.R.A., do you wish to make any comment on the desirability of state enabling Acts?

THE PRESIDENT: Only off the record. Who was it -- I think it was good old Mark Sullivan, or it may have been Ted Wallen, one or the other (laughter), who has been writing what they call pieces about the Indianapolis episode. I will read you what Mark says because it is a good illustration -- wait a minute, I have got the story here -- it might have been Ted. As a matter of fact, I checked up on this thing in the Press Conference. Two weeks ago somebody asked a question as to when the N.R.A. Message was going up and I said it was going up probably the following week. That was last week. I did not get around to it and then somebody said last week, at the Conference, "Are you asking for state legislation?" and I said, "No." Of course I was stupid. I should have explained that I am not asking for it at this time. I said, "No," to it and that was my mistake. Immediately, however, two Indianapolis papers that are fighting McNutt on this whole subject proceeded to carry a large-sized story that I was not going to ask for any state legislation. Of course, the obvious fact was that

I could not ask for state legislation until I sent an N.R.A. Message to the Congress. So McNutt called me up and said, "Is the story in the Indianapolis papers true?" And I said, "No, of course not; not the way we put it. We do want legislation but I cannot ask for it until I send a Message to the Congress." So Mark (Mr. Sullivan) says:

> "In a mid-western state the Democratic legislature was considering enactment of a baby N.R.A., that is, a duplicate of the National N.R.A., designed to cover industries and businesses wholly within the state. The Democratic Governor was urging the measure. The legislature was reluctant. The point came at which there was an inquiry whether Mr. Roosevelt wished the baby N.R.A. enacted. The Governor got the White House on the long-distance phone for the apparent purpose, in effect, of soliciting pressure from a President on a state legislature a thousand miles away."

Well, I guess this wasn't the one. It must have been Ted's story. (Laughter) Anyway, the implication was that there was an awful row between McNutt and myself. And then it was followed up -- let's go through with this particular story because it is rather amusing -- then there followed up a story again, that was Ted's, in which there was a large headline in the Herald-Tribune that I had been compelled and forced to send up the N.R.A. Message because of, I don't know, some kind of investigation by McCarran or somebody on the Hill.

Of course, as you know, the actual fact was that I did not get around to it and, as I told you last week, I intended to send it up on Monday and I would have sent it up on Monday if the Supreme Court had not jumped me and got in the gold cases first. I wanted the play on the gold cases to get to those papers, so

the Message is going up today.

Let us keep on with it. (Laughter) In this morning's papers, "Roosevelt to Seek Bar to Gold Clause Suits for Damages." That is a statement of fact and it is not true. "The Roosevelt Administration Today Decided to Terminate the Treasury's Liability on the Supreme Court's Decision on the Bond Case." That is a statement of fact and it is not true. There has been absolutely no decision on this thing. I think it will take another week before the lawyers have completely read all those decisions, the whole thing and not just individual paragraphs out of it. And, after they have all read them, there will be various conferences and eventually it will get to me. There has been nothing decided on and those decisions -- the Lord knows they are pretty difficult for a layman and pretty darned difficult for a lawyer. Another one says that following a meeting of President Roosevelt with his Council it was decided that the curtain should be run down on all uncertainty. Of course, that says in effect that the Executive Council took the subject up yesterday. I can assure you that it did not. I did congratulate the Attorney General and I told the story about four down and five to go.

Q What is that story, Mr. President?

THE PRESIDENT: That is a pretty good story. It appeared in the paper this morning. You will get it.

How about Friday's Press Conference?

Q We will take a holiday too.

THE PRESIDENT: I do not think there is going to be any news at all.

The only other possible news that I know of today is this seed

loan bill and there will be either a statement or a Message to the Congress or a letter on it. Of course the chief problem there is where the $60,000,000. is coming from. That may come up this afternoon or tomorrow morning. Outside of that I haven't got a thing.

Q Does that mean you will or will not sign it?

THE PRESIDENT: I am going to sign it.

Q Getting back to the N.R.A. Message, "Monopolies and Private Price-Fixing Within Industry Must Not Be Allowed Nor Condoned." That means all forms of price-fixing with the exception of the natural resources?

THE PRESIDENT: In general, yes.

Q How do you propose to go about it, that applying of anti-trust laws to the N.R.A.?

THE PRESIDENT: That I am not saying; I do not know.

Q That is up to the Congress?

THE PRESIDENT: Yes.

Q Any attention been paid to our obligation to pay $250,000. to Panama?

THE PRESIDENT: I do not know. The Secretary of State and Panama have been talking about that for nearly a year and trying to come to some kind of an arrangement.

Q You said you were going to Boston Saturday morning?

THE PRESIDENT: I am going to leave sometime on Saturday morning and spend about six hours in Boston and get back on the train and get to Hyde Park Sunday morning and stay there two days, three days, four days -- I don't know. We will stay as long as we can.

Q If you stay long enough, we can all go to the Correspondents' Dinner

in Albany -- that is Thursday night.

THE PRESIDENT: I cannot; I have got a Reception on.

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #186,
In the President's Study at Hyde Park, N.Y.,
February 27, 1935, 11.10 A.M.

Q It is cold out in these parts.

THE PRESIDENT: Who has been doing the winning?

Q Well, it is about even, I think.

MR. McINTYRE: No, it is not. They got me way down low.

THE PRESIDENT: It is a bad month.

MR. McINTYRE: I started a bad streak, a few nights ago.

THE PRESIDENT: I don't think there is a blessed bit of news; I have not heard anything.

Q Have you been reading our stories?

THE PRESIDENT: No, as a matter of fact I have not. I have been reading old magazines.

Q You probably got a great deal more out of the old magazines.

(Laughter)

Q Going back tonight?

THE PRESIDENT: Yes. What I have been trying to do is catch up on a huge pile of old magazines last night and yesterday afternoon. There hasn't been any news in that. Two or three months' worth.

Q Do you save back numbers of the serials?

THE PRESIDENT: No. (Laughter)

I have been doing a lot of reading of reports too. That (indicating) is this morning's mail and that (indicating) is all I am behind. That is pretty good. You know the usual size of my basket? That is mostly dead stuff anyway.

Q Stories from Washington say that the Senators are looking to you to

see what to do on this work relief. Do you care to say anything on that?

THE PRESIDENT: Stevie (Mr. Stephenson), I wish I could but I have had literally no communication with Washington. Since I have been here I have talked to only one man in Washington and he was in the State Department.

Q Eddie Roddan wrote a story today. (Laughter)

THE PRESIDENT: Have you written a story that I was in constant communication with Washington, Eddie?

Q (Mr. Roddan) Oh, no. (Laughter)

THE PRESIDENT: Literally and truly, from the time I got here until the present moment I talked just once to Washington and that was with the State Department. I hope it goes with your stories all right.

Q We have been burning up the wires.

MR. McINTYRE: That last statement is off the record, gentlemen. (Addressing the President) You have got to protect them. You have been in close and intimate touch with Washington.

THE PRESIDENT: Mac (Mr. McIntyre), have you been giving that out?

MR. McINTYRE: No, I didn't have to. (Laughter)

THE PRESIDENT: That, literally, is true; I have not communicated with a soul. I haven't had any letters, just the usual run of mail.

Q How about the shipping Message?

THE PRESIDENT: That is all done and I am waiting until I get back tomorrow morning to check on figures. If I can check on the figures early enough and Congress is in session late enough, it will go up tomorrow, but if both those things do not happen, it

won't go up until Friday.

Q Are you going to have a conference with Congressional leaders?

THE PRESIDENT: No plan at all.

Q Have you been giving any consideration to going on the air?

THE PRESIDENT: No.

Q That was Eddie's story.

Q (Mr. Roddan) They pay no attention to the Hearst papers anyway.

THE PRESIDENT: It is awful to get out on the limb and then have to saw it off himself.

Q He forgot that today was Wednesday.

Q Mr. President, is there anything of a general nature about your plans or program for the next few days or week? After all, we have to write what you plan to do when you get home.

THE PRESIDENT: As soon as I get in, there are two things: one is the Army and Navy Reception tomorrow night.

Q That is a sentence.

THE PRESIDENT: And the other one is a luncheon on Saturday for the Governor General of the Philippines. That is in honor of the Governor General of the Philippines who is just back.

Q That leaves us nothing but S. C. S. stories.

THE PRESIDENT: Oh, no, that is not S. C. S. That is very good social column stuff.

Q That is all we have got to do, though. (Laughter)

THE PRESIDENT: Well, I don't think I have any appointments. I don't have anybody down for tomorrow or Friday.

MR. McINTYRE: One or two of the Cabinet Officers.

Q Have you had a good visit?

THE PRESIDENT: Grand.

Q Have you made any summer plans yet?

THE PRESIDENT: Oh, no. (Laughter)

Q Have you any estimate when Congress will adjourn?

THE PRESIDENT: No. (Laughter) As you know, I like hot weather.

Q I have already published that the last few days.

Q We know where we can find a lot of it. (Laughter)

THE PRESIDENT: I think we will have to get off, even if the Congress is in session, in July and August and take some little trip down to warm weather, just to keep away from the colder Washington. Don't you think so, Fred (Mr. Storm)?

Q (Mr. Storm) I think so.

Q Anything you would like to say about the Hyde Park Association, this new association which has been formed and in which Mrs. Roosevelt is interested for the economic improvement of the town?

THE PRESIDENT: I do not know much about it except I think it should be made perfectly clear that this is not, in any way, a plan being submitted by Mrs. Roosevelt or by me. It simply is -- you can't call it even an offer, but to give information to the people of the town so that if they want to go in for something that will create work, they will know where and how they can get information and help from the Government, just as every other community can. But it is wholly, 100 per cent, up to them. So many communities do not know what help they can get in the way of suggestions or information or figures from the Government. We will have to let them know what they can get.

Q Mr. President, as things stand now most of these state legislatures are going to adjourn before the economic security bill is acted upon.

THE PRESIDENT: Is that a statement or a guess?

Q Most of them have 60-day sessions. Does that in any way revise your attitude concerning the necessity of getting that bill through?

THE PRESIDENT: Why should it?

Q You can't get state legislation unless you call special sessions.

THE PRESIDENT: That is true but why should it revise the attitude?

Q It is merely a question on my part as to whether, in view of the fact --

THE PRESIDENT: (interposing) No. After all, here is the simple fact: The recommendation has gone to the Congress and they are drawing a bill and if and when it goes through and the legislatures are still in session, it is up to them. And, if they are not in session, it is up to them whether they will call extra sessions this year. There isn't a story you can write on that; it is a question of fact and a question of dates. The thing has gone to the Congress to go through in some form and, as to the time, you know just as much about it as I do.

Some (state legislatures) will be in session; for instance, Illinois, which sits most of the year, will be in session.

Q You don't think it might reduce the movement to postpone the date of effectiveness of the tax under the unemployment insurance provisions?

THE PRESIDENT: I have not thought of it. I do not know the date --

has it been reported out?

Q But they have changed that, the inauguration of the tax. They have made it two per cent the first of 1937.

Q That is not old-age pension tax; that is unemployment insurance.

Q You do not need legislation for the compulsory old-age system.

THE PRESIDENT: I do not know what date they have in there.

Q Originally it started January 1, 1936 and that is just unemployment insurance.

THE PRESIDENT: Of course there are some legislatures that do not meet in 1936. I really do not know anything about it. I do not know as much about it as you do what the situation is at the present time.

Q Mr. President, they seem to be in difficulties up at Albany regarding the child labor amendment as to whether it is going to be ratified. Is there anything you want to say on that? Does that fall into the class of pending legislation?

THE PRESIDENT: You know what I have said on that. It is simple. I expressed the hope for all forty-eight states, not just one, the specific hope that they would ratify. There is nothing else. I cannot say it specifically for Albany (New York) any more than I could for any other state.

Q Mr. President, in our absence they elected Al Warner as president of the White House Correspondents' Association.

Q Russell telephoned down.

THE PRESIDENT: Stevie (Mr. Stephenson), they threw you out.

Q (Mr. Stephenson) Just the very minute I left town.

Q Mark Sullivan and Ted had an election.

THE PRESIDENT: Lovely. I think that is grand. "Truly" Warner will

make a very, very dignified presiding officer. It will be all right.

Q (Mr. Stephenson) He will have it all over me.

THE PRESIDENT: You will have to preside at this dinner.

Q (Mr. Stephenson) I will start it off.

Q He has been rehearsing his speech during his visit up here.

THE PRESIDENT: Is that why he is late, or is there some other reason?

Q I have another reason.

Q (Mr. Stephenson) You know too much. (Laughter)

THE PRESIDENT: That is all right; that is the first thing I got on the telephone. I keep in very close touch with the Poughkeepsie office.

Q I had a very good breakfast.

THE PRESIDENT: Who was it ran against you last year in that hot contest? Was it "Truly" Warner?

Q Yes, sir.

THE PRESIDENT: Then it is a matter of justice.

Q This is the consolation prize.

Q We are going to come out for Hoover, then, in 1936. (Laughter)

THE PRESIDENT: Succeeding Francis M. Stephenson, retired. Do you get a pension?

Q (Mr. Stephenson) I am going to take that up.

Q He has made enough.

MR. McINTYRE: That is all right for a morning paper, but you could not say "Francis M. Stephenson, retired" any other time.

Q The election was unanimous, Russ Young carrying it. (Laughter)

THE PRESIDENT: This is perfectly grand. I did not know that Warner

was an Amherst graduate. He belongs to that wicked crowd of brain-trusters.

Gosh, they put Fred (Storm) and Charlie Hurd on the Executive Committee. (Laughter)

Q I am against the whole ticket.

THE PRESIDENT: How come you are on the Executive Committee?

Q (Fred Storm) I was out of town and could not do anything about it.

THE PRESIDENT: The Executive Committee really runs it, don't they?

Q I don't know.

Q We have not had a meeting yet.

Q They are thinking of asking Russ Young if they may have a meeting. (Laughter)

Q You know, it has never met yet, Mr. President. (Laughter)

THE PRESIDENT: I don't know; I think that our gang still controls.

It is all right. We still have a majority vote in there.

Q If they would only let them vote. You can come in in the morning and find a ukase that has been issued during the night by Senator Young. (Laughter)

Q He is the little father of all the Russians in a big way.

THE PRESIDENT: I wish I could invent something for you but, gosh, there is no interpretive story I could write if I wanted to myself. I am going out for a drive this afternoon -- not on a sleigh ride.

Q We will have to work on Monday's story. We will have you going back to Washington very confident.

Q Let us write a story that you are not going back but will stay here. That would get action.

THE PRESIDENT: I believe it would. If it were not for the Army and

Navy Reception.

MR. McINTYRE: What reason would you give?

Q Tired of them; let them squabble.

THE PRESIDENT: Well, they have got a lot of time yet. This is only February. Do you remember last year we had certain troubles and managed to get away around the end of June or the beginning of July?

Q There is a story this morning --

THE PRESIDENT: (interposing) That is off the record there.

Q The bets are between mid-May and mid-June on adjournment.

Q Possibly they are a little optimistic.

THE PRESIDENT: Let us get up a pool. There is something for you to do! Get up a dollar pool on the date of adjournment. I will put in a dollar too. Sealed bets.

Q Not to be opened until Christmas?

Q Unless the Congress adjourns before then.

THE PRESIDENT: I think it is a good idea -- let us get up a pool.

MR. McINTYRE: We will work it up on the train.

Q You will have to do it now.

MR. McINTYRE: That is what I mean -- collect it now. I want everybody together.

Q Everybody still on the expense account. (Laughter)

Q Who is going to hold this money until the end of June?

Q I think it ought to be deposited in the savings bank.

Q I am treasurer of the Association.

Q How big is the pool going to be?

Q The Times got scooped on the story.

THE PRESIDENT: Did they?

Q I did not see it but they finally picked it up for the final edition.

Q They are great pickers-up.

MR. McINTYRE: They probably used Charlie's (Mr. Hurd's) story.

THE PRESIDENT: I have forgotten -- one day last week the Times had two full pages, the first and last, reprinted from the late edition of the previous day.

Didn't you notice that they had an awful lot of it one day?

Q There is a good reason. The Times used to pay members of the staff $8.00 a column to write feature stuff and they quit paying for it and now they do not have a reservoir to fall back on, so they have to use reprint.

Q Any other plans for today -- anybody to see?

THE PRESIDENT: Nobody coming near the place as far as I know. I am going out for a drive.

Q What kind of a drive?

THE PRESIDENT: Automobile -- all around the place. You can say that I am looking over my land that is to be planted this year -- more trees.

Q Whereabouts, Mr. President?

THE PRESIDENT: Well, you wouldn't know if I told you. It is on the other side of the creek, at the back of what I call the Tompkins farm. It is way back, an old pasture that is grown over with white birch. I am cleaning off about six acres and going to plant it in the spring.

Q What is Farmer Gennerich doing in the way of reforestation?

THE PRESIDENT: We are having a serious conference on what he is going to do. He is thinking of planting blueberries. Why blueberries, I don't know, except that he likes them. (Laughter)

Q What kind of trees are you planting down there?

THE PRESIDENT: Whatever the State College of Forestry recommends. You see, we are using this as an experimental plot and it may be anything -- European larch, Norway spruce, native red pine, poplar, any one of half a dozen things they have been working on.

Q How many acres of your farm are planted according to this scientific formula, or can it be measured definitely?

THE PRESIDENT: I should say there are probably about 300 acres of old woodland which have been, over a period of twenty-five years, improved each year, and about 100 acres that I planted myself for the State College -- took it over for experimental work, and about 60 acres that they have done. You see, they have only been doing their experimental planting now since 1926 or 1927 and they do about eight or ten acres a year. We have tried all sorts of things, even Douglas fir from the West Coast. That takes a thousand years to grow.

Q Is it growing?

THE PRESIDENT: It is growing up awfully slowly.

Then we are carrying out other experiments with the planting of acorns, different types of oaks, and then I started another experiment to see whether the acorns from very old trees gave a better tree than the acorns from young or middle-aged trees. In other words, I have forgotten what the technical word is, but genetics of various kinds.

Q What is the test on that?

THE PRESIDENT: What?

Q What is the test on that? Have they shown anything?

THE PRESIDENT: They haven't gone far enough -- haven't gone up.

Q I wonder if the same thing is true for human beings?

THE PRESIDENT: It might be. Nobody has ever studied that phase of the question at all. It is a very interesting thing. There is a foundation out on the West Coast that is working on it. I got the Department of Agriculture to look into it two years ago -- the Government has just started it. I started my first experiment four years ago.

Q That was on the acorns?

THE PRESIDENT: It looks -- as a matter of fact, it is much too early to tell -- as if the middle-aged and older trees give you a better growth than the very young trees.

Q That is encouraging. (Laughter)

THE PRESIDENT: Do you know anything else?

Q We don't know a thing.

Q We have exhausted our supply, Mr. President.

Q We have had a good visit.

THE PRESIDENT: I am sorry I cannot tell you anything but I really don't know anything. I will see you all tonight. What time do we pull out?

Q Eleven o'clock.

MR. McINTYRE: We are all going aboard at Hyde Park.

Q Have Missy and Grace been behaving?

THE PRESIDENT: Not so well. You know, I am a little worried about it. (Laughter)

MR. STEPHENSON: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #187,
Executive Offices of the White House,
March 1, 1935, 4.15 P.M.

Q (Mr. Storm) They stuffed the ballot boxes while we were gone, Mr. President.

THE PRESIDENT: I heard that. It is true that the Senate is the sole judge of its own membership, isn't it? (Laughter) That is a good line.

Q (Mr. J. Russell Young) I will remember it.

Q Not many here, are there?

THE PRESIDENT: No.

MR. DONALDSON: All in.

THE PRESIDENT: I hope you have all bought baby bonds.

Q With what? (Laughter)

THE PRESIDENT: Well, that raises the story the A. P. gave the other day that the president of the White House Correspondents' Association bought two for his children.

Q (Mr. Stephenson, president of the White House Correspondents' Association -- not married) What is that? (Laughter)

THE PRESIDENT: What did you say, Stevie?

Q (Mr. Stephenson) That is a children's story.

Q Mr. President, would you care to comment on Wallace's (Secretary of Agriculture) speech yesterday in which he said that capitalism was nearing the end of the road?

THE PRESIDENT: I have not read it.

I do not think there is any particular news. I have been trying to catch up.

Q Can you tell us anything of your conference with Secretary Wallace?

THE PRESIDENT: No, there wasn't any news out of it at all. It was just one of our usual conferences covering many, many subjects.

Q It is reported that a number of governments are going to join in giving financial aid to China. Is there any such project under way with this Government or has any consideration been given to that?

THE PRESIDENT: I have not heard about it at all.

Q Do you have any other conferences scheduled with Congressional leaders today or tomorrow?

THE PRESIDENT: I don't think there is anybody. Let us see: the Governor General of the Philippines tomorrow, before lunch and during lunch.

Q Would you care to comment or advise on the Congressional situation on the work relief bill?

THE PRESIDENT: I wish I could.

Q Either off the record or in any other way?

THE PRESIDENT: I do not think there is anything that I can say because, frankly, I do not know very much about it. I know very little more than when Charlie Hurd and I were up at Hyde Park and we, neither of us, knew anything about it then. Right, Charlie?

Q (Mr. Hurd) I am afraid so.

Q This is the last time we have an opportunity to see you before you celebrate your second anniversary in office at the dinner tomorrow night. Have you any comment you would like to make on your two years in the Presidency?

THE PRESIDENT: I do not think so. That sort of catches me cold. I have not thought about it before. I think we are all going to church at the Cathedral on Sunday, just the way we did last year. Monday evening is the Cabinet Dinner. I have been too busy to work out any kind of a statement.

Q There is a rumor you are going on the radio Monday night. Is there anything in that?

THE PRESIDENT: S. C. S. That is the new radio station. (Laughter)

Q Mr. President, we have got a new president now. He has some children -- Mr. Al Warner.

THE PRESIDENT: I know but I am not forgetting that "Truly" does not actually preside at this dinner. At the next dinner you (Mr. Warner) do. Do you remember, you did not take the gavel until the very end of the dinner and I said that it was not fair? I am going to watch you preside at that dinner and then, after that, we will have "Truly."

Q Mr. President, there were some reports that Murphy (Honorable Frank Murphy) may be offered something in the Federal Government here in Washington instead of going back to the Philippines?

THE PRESIDENT: No, he is an exceedingly efficient and exceedingly successful Governor General of the Philippines. It is a very remarkable thing that Frank Murphy has done out there in a rather difficult -- what might be called a pre-transition period. He has run the kind of administration that I haven't had to give a single worry or single care to. He has run the Philippines with the cooperation of the Legislature and the Filipino officials and the Philippine people you might say almost 100%

without friction. Incidentally, on his finances he has done a lot better than we have. He found, when he went there, a four-year continuing deficit and most of that deficit has been paid off and his budget is balanced. That is a great tribute to any head of government.

The baby bonds are going so well I am told that the Bureau of Engraving and Printing has got to stay open all night to print some more because a lot of post offices are out of them already.

Q Give me a line on the denominations.

THE PRESIDENT: All kinds, big and little. As a matter of fact, the return on this issue of baby bonds is slightly higher than if you buy the old issues in the open market.

Q The Ways and Means Committee of the House today reported out a repeal of the pink slip. Is there anything you can tell us about that?

THE PRESIDENT: I do not think so at this stage.

Q You have never expressed any view about that, have you?

THE PRESIDENT: No.

Q Do you care to comment on the strike vote that they are now starting to take out in the automobile industry? Does that presage some more spring strikes?

THE PRESIDENT: No, I had not heard about it.

Q It came in this afternoon.

Q Do you care to comment on the 7-A decision by Judge Nields in Milwaukee (Wilmington, Delaware)?

THE PRESIDENT: No; I may say something about that next week. I have not had a chance to read it. That was Judge Nields?

Q Yes.

Q He wrote eighty-five pages of opinion.

THE PRESIDENT: I do not expect to read them all. I will read a digest.

MR. WARNER: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #188,
Executive Offices of the White House,
March 6, 1935, 10.55 A.M.

Q Big crowd out there this morning, Mr. President.

THE PRESIDENT: I do not know what for; I do not know anything.

MR. DONALDSON: All in.

THE PRESIDENT: I have just been looking over the ladies. They seem to have reported for duty in good shape after their big night last night.

Q (Miss Craig) Thank you.

Q Mr. President, we enjoyed your Message very much.

THE PRESIDENT: Fine, fine; must have been a good party from all I hear.

I do not think I can give you any news at all. I saw a robin and the first crocus.

Q Croaker or crocus?

THE PRESIDENT: Crocus.

Q Did you think of General Johnson, Mr. President? (Laughter)

THE PRESIDENT: I do not think I have any news at all. There will be some other Message going to Congress next week, I do not know which one yet. I have not decided. I will write it over the week end. It is just a short one.

Q Has the commodity price lifted sufficiently to a point where stabilization would be desirable?

THE PRESIDENT: You mean domestic stabilization or foreign?

Q I mean domestic price stabilization.

THE PRESIDENT: I should say, off hand, the answer is "No" to that. I

don't think, in other words, that we have got the dollar back in relation to commodities as far as it ought to go. We have relieved the debt burden a great deal but we have not relieved it sufficiently yet. We have talked about this thing before, as you know, so you know what I mean when I am talking about the debt column. I don't think that the debt column of the nation has been sufficiently reduced yet.

Q Do you feel that the very sharp rise in retail food prices is justified?

THE PRESIDENT: It depends on your food price and your locality. It is too general a question.

Q In Washington?

THE PRESIDENT: (The President did not reply.)

Q Does that mean a further devaluation of the dollar?

THE PRESIDENT: No, hold on. (Laughter)

Q Have you finished your answer about food prices?

THE PRESIDENT: I think so, yes.

Q Did you finish your answer about devaluation?

THE PRESIDENT: Yes. (Laughter)

Q Mr. President, have you any steps in mind to extend our foreign credit on these barter agreements?

THE PRESIDENT: Of course we are going right ahead. Each one of these barter agreements takes a long time to work out. I think they have five or six of them now.

Q I mean the two-country barter agreements, the ones that Peek had in mind?

THE PRESIDENT: Well, they practically dovetail into each other.

Just to be a little bit more explanatory on that, you take this Belgian agreement as an example: That is, theoretically, a reciprocating agreement. That is to say, we reduce certain of our tariffs in order to give the Belgians a chance to sell something more over here, and they reduce their tariffs in order to give us a chance to export some more to Belgium.

Now, it is experimental in this sense: It is directed primarily at the bilateral situation between Belgium and the United States. At the same time, under the most-favored-nation clauses, other nations -- not all other nations, it depends a little bit -- certain other nations have the right to take advantage of that lowered tariff. At the same time, in the Belgian agreement there is a clause that says, "If this results in the bringing into this country from other nations -- not Belgium -- imports which will hurt this country in the larger sense, then, within thirty days, we can stop the agreement." So it does not vary very much from the Peek theory. It comes pretty close to being a bilateral treaty but it does give us a little opening for other countries to see how it will affect them too and depending on the way it works out will determine the future continuation of that particular Belgium-United States agreement.

Q Of course, under the most-favored-nation clause, the other nations have to give us the same concessions. Do you think Belgium has come in in order to get advantage of this?

THE PRESIDENT: It depends a little bit on the clause of the individual nation. I don't think there is one rule that will tell. I think there are some treaties that will let them come in anyway,

most of them.

Q Will you comment on the British announcement of the increase in air force because of the rearming in the United States -- the McDonald White paper announced yesterday?

THE PRESIDENT: I have not read of it, have not heard of it. They are increasing their air force because of what we are doing?

Q They included the United States in the list of countries rearming and thereby necessitating their doing the same.

THE PRESIDENT: I would like to check the language. I hope you are not right.

Q It was broader than an airplane increase; it was a naval increase.

THE PRESIDENT: We might have been put in as a matter of politeness, you know.

Q Can you tell us whether any decision has been reached on the possibility of our participation in any international move to help China?

THE PRESIDENT: I do not know. You will have to ask the State Department because I have not heard a word about it for a week, not a word.

Q Are you going to give out the reports of the Federal Trade Commission and the N. R. A. on the basing point situation in the steel industry?

THE PRESIDENT: I don't know why it should not be given out by them.

(Mr. Early spoke to the President.)

Steve (Mr. Early) says they are working on it now and one of the reports is eight volumes. If you want the eight volumes, you can have them. They are to be released simultaneously and

somebody is trying to save you work.

Q Somewhere there are some figures you asked for with relation to the taxes in the District of Columbia and you sent them back for more information to the Treasury. Do you recollect that?

THE PRESIDENT: I had not. I am glad you reminded me. I will check on that.

Q We were beginning to suspect that possibly you were going to keep them and not make them public.

THE PRESIDENT: No; I am glad you reminded me.

Q There were some statements on the Hill yesterday from Senator Harrison and others to the effect that there was to be a great reduction in the scope of the N. R. A., child legislation, Mr. Williams' resignation, et cetera. Can you discuss the plans with regard to N. R. A.?

THE PRESIDENT: Only exactly the language I used in my Message and that is as far as I have gone. Of course, as a matter of fact, in fairness to Mr. Williams, Mr. Williams did come in the first instance for sixty days and I have tried, successfully, to keep him on ever since. He wanted to get out in September and he has been coming to me every week, asking to be released so that he may go back to his private business.

Q Will you comment on the Weirton decision?

THE PRESIDENT: I guess I had better not. The more I read it the foggier I get.

Q Will you comment on the McSwain Bill to keep the profits out of war?

THE PRESIDENT: I have never read it, not yet. I suppose I will.

Q In that connection, can you tell us what has become of the Johnson

and Baruch Committee or Commission to study the business of profits in war? Is that going on?

THE PRESIDENT: They have made a verbal report and they have a great deal of material. Whether they will make a written report or not, I do not know. They have collected a great deal of material which is in the State Department now ready for use any time I call for it.

Q They made the report to you?

THE PRESIDENT: Yes, verbally.

Q You said that you had not heard anything on the China situation for a week. May I inquire whether, when it was called to your attention, there was something we might do to help China?

THE PRESIDENT: No. There was a big question mark at that time. Nothing specific at that time at all. The question was, "Is there something all the nations can do to help China?"

Q You are considering that still?

THE PRESIDENT: Yes.

Q Will you make any comment on the speech of General Johnson two weeks ago as to the foreign developments?

THE PRESIDENT: No.

MR. WARNER: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #189,
Executive Offices of the White House,
March 8, 1935, 4.08 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: We have been talking about Hawaii in the front row.

It is not printable. (Laughter)

I do not think there is a blessed bit of news. We will go off the air and put the lid on over Sunday, as far as I know.

Q You will be at the House tomorrow?

THE PRESIDENT: Yes.

Q Mr. President, you told us in the last Conference that you were going to prepare two Messages over the week end?

THE PRESIDENT: I am going to prepare one, anyway, and maybe the other.

I cannot tell you which ones yet.

Q What is the other besides transportation? (Laughter)

THE PRESIDENT: Now, I have a field of five to choose from.

Q A field of five?

THE PRESIDENT: A field of five.

Q Does that pretty much wind up the legislative program then?

THE PRESIDENT: Just about.

Q Do you care to say what the five are?

THE PRESIDENT: No.

Q Do you care to say anything more about N.R.A.?

THE PRESIDENT: Any more about it? I do not think I have been very vocal about it lately, have I?

Q I thought you might elaborate on your Message?

THE PRESIDENT: No, I do not think so; I will just stand on the Message.

Q Mr. President, are you planning to send the ship subsidy bill up to the Congress?

THE PRESIDENT: No.

Q Will you comment on what type of direct subsidy you prefer?

THE PRESIDENT: Just read the Message.

Q Mr. President, Secretary Swanson said the other day that he was going to take up with you a problem involving General McCarl.

THE PRESIDENT: Oh, yes. We did. We talked about it in Cabinet meeting and I suppose the easiest way to explain it is to put it in the easiest terms. The question arises, as I understand it, on the payment of traveling expenses --

Q Of officers?

THE PRESIDENT: Of officers who retire when they are a long way off from home. In other words, to bring it down to a practical layman's point of view, if an officer on distant service, located in the Philippines or the Panama Canal or Hawaii, if he actually gets sent home, say two weeks or three weeks before the retirement day, he gets his transportation for himself and his family and his goods in the normal way. But if, because of Government necessities, he is kept on active duty at his post until the actual date of his retirement, according to the Comptroller General, he is out of luck and cannot have his way paid home. Now of course there is no question in my mind as to what the intention of Congress was. An officer does not actually, physically retire until the day he becomes, whatever it is, sixty-four. If the needs of the Government require him to stay at his post up to that date, it seems pretty hard on him under the McCarl ruling that he should have to

pay his way home, whereas if they had happened to send him home a month before, he would have been paid by the Government. Now, that is the practical end of it.

Now, on the legal end of it, this case was ruled on by Attorney General Stone, who ruled exactly as the Attorney General has ruled. Since then there have been one or two more cases decided in the courts with that ruling by the Court of Claims. And the Secretary of the Navy is following the ruling of two Attorneys General and of the only case that has come up in the Court of Claims.

Q May I ask at this point whether the Court of Claims ruled in favor of the payment?

THE PRESIDENT: In favor of the payment, yes.

Q Do you intend to issue an Executive Order?

THE PRESIDENT: No, there is no question of an Executive Order. We decided to do that on this case and the order of the Secretary of the Navy on these past cases will stand, that the officers shall be paid. But, in order to clear up the future, the Secretary of the Navy will suggest to the Naval Affairs Committee and the Naval Subcommittee of the Appropriations Committee that in future appropriations, the question be made absolutely definite and beyond peradventure of a doubt. So, that settles that.

Q Mr. President, a controversy has arisen between Mr. Eastman and Mr. [J.J. Pelley ?] Tulley over the continuation of the Railroad Coordinator's Office. Will you touch on that in the Message on transportation?

THE PRESIDENT: I never heard of it.

Q The office expires on June fifteenth unless extended. Mr. Tulley [Pelley ?] came out last night in a speech and said that that Railroad Co-

ordinator's Office ought to be abolished.

THE PRESIDENT: I never heard about it.

Q If I can return to that Navy pay, will that take an Executive Order?

THE PRESIDENT: No.

Q What about the status of Mr. McCarl?

THE PRESIDENT: What do you mean, "What about his status?"

Q Does this case set any precedent?

THE PRESIDENT: He is a very, very old friend of mine for whom I have the highest regard and he has done a perfectly magnificent job, one of the very best servants that the Government has got.

Q Can he be reappointed?

THE PRESIDENT: I do not know what the law says.

Q There are some suggestions that he cannot be reappointed.

THE PRESIDENT: I do not know.

Q Mr. President, could you properly give us, as a very general idea, what fields are to be covered in the forthcoming Messages?

THE PRESIDENT: No, that was what Stevie (Mr. Stephenson) was trying to worm out of me, but unsuccessfully. I have a number of Messages in mind -- I am working on them. I have not actually picked out the one I am going to write over the week end -- the one or the ones. I really do not know and could not tell you.

Q Will there be some emphasis on farm-to-market roads in the work relief measure when it is passed?

THE PRESIDENT: Well, that is a difficult question to put that way because farm-to-market roads depend a good deal on the individual state. Some states, for instance, with Federal money are still trying to emphasize their through roads. It depends entirely on

the state.

Q Mr. President, it seems to me that the Naval action on your statement about General McCarl is entirely unprecedented. Do you happen to know whether such a thing has ever happened to be brought before a President of the United States and settled in this way?

THE PRESIDENT: I imagine so from past experience in Washington and very often it used to get up before the White House. I do not think there is anything new in this. I think you will find it has come up before every Cabinet.

Q Chairman Biddle of the National Labor Relations Board said yesterday that enforcement of section 7-A had broken down and suggested that the Wagner Bill would correct the situation?

THE PRESIDENT: I could not comment on that unless I saw the whole of his statement.

Q Mr. President, have you decided yet who will take the place of Mr. Pecora on the Securities Commission?

THE PRESIDENT: Is there a vacancy there? I did not even know of it. I had forgotten it for the moment. It is probably on my list right here.

Q Mr. President, is Secretary Ickes resigning?

THE PRESIDENT: What did you say?

Q Is Secretary Ickes resigning?

THE PRESIDENT: Does he look resigned? (Laughter)

Q More resigned. (Laughter)

Q Mr. President, have you reached any agreement with him about Mr. Moses? (Laughter)

THE PRESIDENT: Now, that is putting us both on the spot. When is the

next Press Conference?

Q Tuesday, I think.

THE PRESIDENT: Maybe Tuesday I might have some news for you. I do not know.

Q Any change in the situation? (Laughter)

Q Any new R.F.C. directors, Mr. President?

THE PRESIDENT: What?

Q Any new R.F.C. directors?

THE PRESIDENT: Not yet.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #190,
Executive Offices of the White House,
March 13, 1935, 10.50 A.M.

THE PRESIDENT: Stevie (Mr. Stephenson), you look a little pale.

Q (Mr. Stephenson) Just hard work.

THE PRESIDENT: Has there been a committee appointed to censor Stevie's speech?

Q We tried it out the other night.

THE PRESIDENT: Was it all right?

Q He said fine words -- in English, too.

THE PRESIDENT: Just build that up -- that is a nucleus.

Q Very good, but a little nervous.

THE PRESIDENT: He is still waiting for his diploma from the Young School of Expression and when he gets that --

Q (interposing) It is a long way off too.

THE PRESIDENT: You have to watch out; George Washington University will give him a degree if you don't.

Q I will pass on that.

THE PRESIDENT: I don't think there is any particular news this morning.

Q Mr. President, that story in the morning paper about some kind of a departmental order stopping more than one member of the family --

THE PRESIDENT: The story was all right except that it was all wrong. In the first place, nothing happened at the Emergency Council meeting yesterday as the story says. I think it was two or three months ago there was a general concensus of opinion -- there was no order -- that in taking on new employees we ought to spread the work as far as possible. It would not apply to anybody now

in the Government service but, all other things being equal, we should try to give the new jobs to people who did not already have some member of the family in the Government service. I think it was three months ago. There has never been any order on it. That was just the expression of opinion in the Council that everybody ought to try to take on people that way.

Q If they were experts in their line?

THE PRESIDENT: Yes. Other things being equal, we ought to get somebody else. Then that raised the question, what is a family? That is a difficult one because you run into all sorts of questions of domestic relations so, leaving out the relationships, et cetera, we agreed that the easiest definition of a family was a lot of people living under the same roof or in the same apartment. Now, that should be broad enough to satisfy any of you.

Q Do you care to comment on the cotton situation?

THE PRESIDENT: I do not think so. You know I think it was, when, last November that we talked about the general problem of the cotton surplus and the gradual reduction of the cotton surplus. I do not think there is anything to add to that. It is coming along.

Q Have you asked or are you going to ask for a substitute law to have any suits on the gold clause brought in the Court of Claims?

THE PRESIDENT: No. There again you probably saw various people running in and out of conferences that were nothing more than an examination into the Supreme Court decision. Nothing has been determined.

Q Does that simply mean you have decided nothing or have decided not to?

THE PRESIDENT: No, just decided nothing. Just exploring.

Q Do you exempt any type of holding company from elimination?

THE PRESIDENT: I think you will have to read the Message. It is awfully difficult, in this kind of conference, to go into all the ramifications of the financial setup of these holding companies. I don't think a categorical answer, without a definite illustration, would be useful. I think the Message is as far as we can go on it. It is pretty clear.

Q Now that the War Department appropriation is through the Congress, have you given any consideration to the appointment of a Chief of Staff?

THE PRESIDENT: No, and I won't for some time.

Q The St. Lawrence Waterway Treaty -- is that dead as far as this session of the Congress is concerned?

THE PRESIDENT: No further news. You know. Of course things depend a little bit on what happens in Congress.

Q This investigation being made of the possibility of the preservation of Niagara Falls, has any report come from that?

THE PRESIDENT: Yes, and what has happened to it I do not know. What its present status is I do not know. In other words, I asked for a report on it and it came and I referred it to somebody. Whether it is in the State Department now or the War Department, I could not tell you. It is not in this office. It has been referred to someone else. I will check on that and let you know on Friday.

Q Any more Messages to go up this week?

THE PRESIDENT: I do not know, Fred (Mr. Storm). It depends on a lot of things.

Q Can you tell us whether a Message is likely on the banking bill?

THE PRESIDENT: What about it?

Q Whether you are likely to send a Message to Congress regarding the banking bill?

THE PRESIDENT: I do not know; that is just one of those vague things still. It is premature.

Q On the gold, do I understand you are still studying the legal aspects of it?

THE PRESIDENT: Yes, and will probably continue to do it.

Q Is there anything new with reference to the Wagner industrial disputes bill you can tell us about?

THE PRESIDENT: I could not yet. It is a little bit early on that. I have got to get some other things out of the way first. That will probably shape up later on in the session some way.

Q Any chance of the appointment of a successor to Patrick Farrell of the I.C.C.?

THE PRESIDENT: That depends a little bit. I have not had a talk with the people up there about this new setup of transportation as a whole and of course I probably won't until I am ready to send up the transportation Message that you all know about. Probably, in talking that over, that Message over with various people in the Senate and the House, I will get a clearer picture as to when the vacancy is to be filled.

Q You expect to hold conferences with people from the House before the Message --

THE PRESIDENT: (interposing) Oh, I do, right along. There is nothing formal about it. I call them on the phone to come down here, et cetera.

Q Can you give us some idea of what type of public works project can be found to give doctors and lawyers and professional persons employment? There is an earmarking of $300,000,000. for such projects and it is a little difficult to figure out what they could do.

Q How about newspapermen?

THE PRESIDENT: I know what I'd put some lawyers and doctors on.

(Laughter)

Q A rock pile?

THE PRESIDENT: A rock pile is suggested by the front row.

Q How about newspapermen?

THE PRESIDENT: That is not an easy thing to determine at all. People like doctors and lawyers --

Q (interposing) Senator Copeland was much worried over the manicurists and dressmakers yesterday. (Laughter)

THE PRESIDENT: Turn them over to the Press. (Laughter)

Q We could use a good dressmaker out there, Mr. President.

THE PRESIDENT: That is a difficult one. I do not know what to do with the lawyers and doctors. Of course one answer is not to turn out so many lawyers and doctors in the future.

Q Thank you, sir.

CONFIDENTIAL
Press Conference #191,
Executive Offices of the White House,
March 15, 1935, 4.00 P.M.

THE PRESIDENT: Just between us, I sat up late finishing my income tax last night.

Q So did Stevie (Mr. Stephenson), sat up late on the same thing.

Q There has been a lot of activity on the income tax out in the press room.

MR. DONALDSON: All in.

THE PRESIDENT: Well, I understand that everybody has finally filed their income tax returns.

Q And how!

THE PRESIDENT: And remember, any money that is made or lost in the press room, it counts; it has to be reported. Of course you can report it as a loss, too. But, judging from Fred's (Mr. Storm's) face, he has to report gains.

Q (Mr. Storm) I never won a cent in my life.

Q Mr. President, do you care to comment on the N. R. A. cases in court?

THE PRESIDENT: No, I don't know how many there are. There are hundreds of them. Which one?

Q The one in New Orleans, that is the one I was particularly interested in.

THE PRESIDENT: Is that the brewers' case?

Q Yes, sir.

THE PRESIDENT: I got a letter from Joe Choate and I don't see any reason why Steve (Mr. Early) cannot have it mimeographed for

you and give it to you or at least give out excerpts from it, if Joe Choate does not mind. He goes over, more or less in detail, the cases that have been up by the Federal Alcohol Control Administration and refers to the decision of Judge Otis in the M. K. Goetz Brewing Company case and points out that the Administration has been almost uniformly successful in having code provisions upheld. I don't see any reason why you should not have that letter.

MR. EARLY: Would it be all right if Mr. Choate would release it?

THE PRESIDENT: Yes. (Laughter)

Q Thank you, Steve. (Laughter)

THE PRESIDENT: Jim Wright asked me -- where is Jim? Isn't he here?

Q He is interested in that Niagara Falls thing, sir. I am his agent. (Laughter)

THE PRESIDENT: He asked about Niagara Falls and I checked up on it, and on the twenty-fourth of January I got a memo from the State Department giving the status of the thing, showing that the status was in status quo and nothing was being done. It was suggested that the State Department approach the Canadian Government with the idea of looking to the construction of remedial works in the Niagara River to preserve the scenic beauty of Niagara Falls as proposed in the final report of the Special International Niagara Board. On the twenty-fifth of January I sent a memo to the Secretary of State approving his suggestion of approaching the Canadian Government for the purpose of working out an arrangement for the construction of remedial work with the proviso that it be clearly understood on both sides that no

permanent allocation of water rights is affected, nor any additional use of water by power companies, public or private, on either side of the Falls.

So, those negotiations are now proceeding.

Q Will you comment on the steel basing point reports?

THE PRESIDENT: What has happened on them?

MR. EARLY: They were out. The Federal Trade Commission and the N. R. A. reports on the steel basing code have been released.

THE PRESIDENT: Have you got them?

MR. EARLY: Yes, sir.

THE PRESIDENT: That is more than I have. (Laughter)

Q Have you decided when the transportation Message will go up?

THE PRESIDENT: Not yet; it has not been written.

Q Are you going to sign the resolution passed by the Congress proposing an investigation of the A. T. & T. (American Telephone & Telegraph Corporation) by the Communications Commission?

THE PRESIDENT: I probably can tell you an hour from now. Somebody wanted to speak to me before taking action on it, so it is sitting right here.

Q Not having seen the steel report, do I understand that you will delay taking any action on the Steel Code until after the Congress has passed on the new N. R. A. legislation?

THE PRESIDENT: I cannot tell you; I am not familiar enough with it to discuss it one way or the other.

Q What are your plans over the week end?

THE PRESIDENT: To stay right here and clear up a lot of business.

Q Have you signed the Rice Bill?

THE PRESIDENT: Which is that?

Q Amendment to the Three A's for Rice?

THE PRESIDENT: That has not come down here.

Q Church people are disturbed about naval maneuvers in the Pacific.

Do you care to comment on those rumors?

THE PRESIDENT: Only off the record. If you want me to talk off the record about this, I'm perfectly willing to do it, just so you will understand what it is about.

It is perfectly true that some of our friends in the Federal Council of Churches, for instance, were disturbed by what amounted to a real misconception, misinformation, about the usual, normal, fleet exercises. Well, just to give you an example of how people can get the wrong slant on things, one of them came down the other day and said that the Japanese and American maneuvers were to be held simultaneously, side by side, within two or three miles of each other and that there might be some untoward incident and that we were going to hold our maneuvers out of the Aleutian Islands this summer. It is that kind of a thing that has our church people disturbed.

As a matter of actual fact, we are doing absolutely, literally nothing more than we have done on many previous occasions. When I was in the Navy Department, I cannot tell you which year it was but it was away back, about 1913 or 1914, along there, we had maneuvers on the Pacific Coast and we worked out the problem of the defense of Alaska and the American mainland. This was not against any individual power. It was just the usual fleet exercises. The defense problem involved a search problem covering,

roughly, the Eastern half -- less than a half, perhaps 40% -- of the Pacific Ocean, running from somewhere in Alaska down to Hawaii and then down south in the general direction of Panama. If you will look at the map, you will find that that sea area is roughly the eastern 40%, not going at all into the western 60% of the Pacific Ocean.

They held maneuvers of that kind some time after the war, some time around 1921 or 1922, they held them again -- the fleet was out for three years -- in 1931, 1932 and 1933. They were over on this Coast last summer and now they are back on the Pacific Coast.

There has never been any question arise between the Japanese and ourselves in relation to the maneuvers, and there never will. I believe the Japanese Admiralty announced some time after we did, and without any relationship to our announcement, that they were going to hold manuevers down in the general direction of the Caroline and Marshall Islands -- I think there is a distance of about two thousand miles from where the American maneuvers are being held -- and their maneuvers are going to be held on a totally different thing. In other words, the whole thing is making a mountain out of a molehill -- that is not for publication, but the whole thing is absurd.

Q Do you mind our using this point about the two thousand miles?

THE PRESIDENT: Yes, but I would rather you did not use it at all.

Q Anything interesting in your talk with Mr. (H. G.) Wells (the author) yesterday?

THE PRESIDENT: Who?

Q Mr. H. G. Wells?

THE PRESIDENT: Oh, yes; we are old friends.

Q He did not tell us anything.

THE PRESIDENT: We talked about the past, present and the future of the human race. All in an hour and twenty minutes and we covered it completely.

Q How does the future look?

THE PRESIDENT: All right. (Laughter)

Q Mr. President, are you sending up any Messages next week to the Congress?

THE PRESIDENT: Oh, I suppose so. I do not know which ones.

Q Anything along the line of --

THE PRESIDENT: (interposing) I do not know; I do not know myself. They are proceeding in the normal course.

Q Have you reached any conclusion from your monetary conferences?

THE PRESIDENT: Not yet; still working on it. Talked about it again today.

Q Do you plan to send an observer to the gold bloc currency meeting that begins in Brazil next week?

THE PRESIDENT: A bill on the gold --

Q (interposing) No, do you plan to send an observer to the gold bloc currency meeting that begins in Brazil next week?

THE PRESIDENT: Not that I know of.

Q Can you tell us anything about your recent conversations with Charles Taussig, who has been in several times?

THE PRESIDENT: No; I do not think there is any news on it. We talked about a great many things.

Q Sugar?

THE PRESIDENT: No, no; never mentioned sugar. We talked about the education of the young, as a matter of fact.

Q Thank you, Mr. President.

THE PRESIDENT: Sorry we haven't any real news today. Put the lid on over the week end, as far as I am concerned.

Q The best story is the off-the-record one. We could write a swell piece on that.

CONFIDENTIAL
Press Conference #192,
Executive Offices of the White House,
March 20, 1935, 10.40 A.M.

THE PRESIDENT: I don't think there is any particular news today.

Q Mr. President, are there any new developments in the suggestion for an international loan to China?

THE PRESIDENT: No. No further news on it at all from any source, so the Secretary of State said yesterday.

Q Mr. President, I was wondering if you would care to comment on this German arms situation?

THE PRESIDENT: No, I think not. I think we can only properly maintain the general principles of the good neighbor and hope that that American principle will be extended to Europe and will become more and more effectual and contribute to the peaceful solution of problems and, incidentally with it, as a very necessary component part, the reduction of armaments. I don't think anything more than that can be properly said by us at this time.

Q How is the Disarmament Conference coming now?

THE PRESIDENT: I think I can put it this way, that they have made substantial progress on details in Geneva during the past month or six weeks, and I think they have all come to the point where most of the details of the problem of disarmament have been pretty thoroughly discussed so that there is fairly complete knowledge of the details, more so than at any time before. We are just hopeful.

Q Late dispatches indicate the probability of a British, French, Italian Conference on Lake Maggiore, one of the little towns up

there, sometime between now and the end of the week. I wonder if it will be possible for the United States to have an observer at that conference, if invited?

THE PRESIDENT: I do not know; we have not heard anything about it.

Q Have you had any communications from Governor Davey (of Ohio) since relief was taken over in Ohio?

THE PRESIDENT: No.

Q Any comment you care to make on that situation?

THE PRESIDENT: I can only comment off the record on it. Harry Hopkins was in yesterday. We thought we would try a game on you people in the press room, have him go out with a large brown envelope and, if somebody asked, "What is in that envelope?" he would say, "It is my pardon from the President." (Laughter) We were afraid somebody might take it seriously -- didn't have the nerve.

Q Have you anything to say about the visit of Senator Nye and his Committee here yesterday?

THE PRESIDENT: Nothing more than what Senator Nye said. I think the story is perfectly correct. They had hoped to have legislation or, rather, a report and, I suppose, legislation with it ready by the first of April. That relates only to the eventuality of the United States getting into war -- what would be done.

Q Isn't the status of Mr. Baruch's report the same as it was?

THE PRESIDENT: Yes, they made a verbal report on it.

Q Verbal? Will anything be used by the Nye Committee?

THE PRESIDENT: No; it all checks in together.

Q Does the Nye Committee plan suit you?

THE PRESIDENT: What?

Q Does the Nye Committee plan, as published yesterday, suit your ideas?

THE PRESIDENT: Oh, we have not considered it in detail. Of course the objective is a common objective, to take the profits out of war.

Q A few months ago there was speculation about a change in the policy regarding the freedom of the seas. There has been any amount of stories written about it.

THE PRESIDENT: Who started it? Grotius (Dutch jurist - 1609), wasn't it?

Q Three or four started it.

THE PRESIDENT: And it is still raging four centuries later?

Q Yes.

THE PRESIDENT: Right. (Laughter)

Q In connection with the German situation, is there any possibility of the United States sending a note to Germany in connection with the Treaty of Peace?

THE PRESIDENT: No news on that at all.

Q Do you plan to make any announcement during the week on the 12-cent cotton loan, the 1935 crop?

THE PRESIDENT: That I do not know.

Q Are you considering a plan?

THE PRESIDENT: You mean this crop or the next crop?

Q The crop being planted now.

THE PRESIDENT: I do not know.

Q Have you under consideration a plan for the textile industry to lift the processing tax for one year? Have they spoken --

THE PRESIDENT: (interposing) Lots of people have talked about that. A very simple answer to that is that somebody has to raise the money some way, somehow, and nobody has yet suggested a way of raising it other than the processing tax.

Q Mr. President, Congressional leaders have undertaken to speak for the Administration and have asserted that --

THE PRESIDENT: (interposing) What is that?

Q They have asserted that the Administration is opposed, definitely, to the Patman and Vinson Bills and I wondered whether or not that also extended to the Tydings Bill to pay the bonus in baby bonds?

THE PRESIDENT: No news on that at all.

Q Mr. Baruch is scheduled to appear before the Nye Committee next Monday. Are you in a position to say whether he will present the views of the Committee of which he was head?

THE PRESIDENT: No; I believe he is testifying as an individual entirely.

Q Do you see your way clear to giving us any enlightenment on the views on the Wagner Labor Bill? It would be a great help.

THE PRESIDENT: I could not yet. The answer is premature because I have not given it enough study to talk on it intelligently. A little later on we will.

Q Will you comment at all on Mr. Douglas' comments on the Budget?

THE PRESIDENT: Mr. Lewis Douglas? No.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #193,
Executive Offices of the White House,
March 22, 1935, 4.05 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Go right ahead. How is the speech coming?

Q (Mr. Stephenson) Giving it a rest.

Q It is still in its rough draft stage.

Q Mr. President, the tax returns seem to be coming in well ahead of last year, much higher, and there was some talk, I think up on the Hill, of new taxes. Will this affect that in any way?

THE PRESIDENT: I do not believe so. Of course, it is too early to tell about new taxes because it depends so much on appropriations. This is said not as a threat.

Q In other words, the taxes --

THE PRESIDENT: (interposing) I did not say, "In other words."

(Laughter)

Q -- the taxes that are now levied are sufficient to carry the Budget as it exists today?

THE PRESIDENT: The normal Budget, yes. Now, wait a minute, hold on; if they proceed at this rate after the first of July, it will carry the normal Budget as outlined.

Q In that connection, the House passed the Bonus Bill today.

THE PRESIDENT: I just got the flash. I have not even read it. I do not know what form it went through in, so I cannot comment intelligently. And, even if I could, I would not.

Q Do you contemplate any statement in the next few days on 12-cent cotton loan for the 1935 crop?

THE PRESIDENT: I do not know. I do not know whether Agriculture is going to say anything or not. Probably not about cotton loans. All I can do is to repeat what I have said all along on cotton. I have not changed the policy.

Q Mr. President, tell us about your conference with Mayor LaGuardia of New York.

THE PRESIDENT: No. All we talked about was what you saw in the papers this morning. He was a little concerned because some people were saying that the bill which is up in Albany was the bill recommended by Public Works and we had to make it clear that that part of the bill in Albany that referred to referendum we had never seen or heard of before and that, of course, in allocating Public Works money out of this new bill, we wanted to do the allocating and start to work as quickly as we possibly can, and anything that delays the project will probably militate against allocating the money for a project of that kind. The responsibility is not Washington's.

Q Any further comment on this N. R. A. announcement of yesterday?

THE PRESIDENT: No; I do not believe so. One of the things that I think everybody got -- I saw the stories this morning and they were perfectly accurate -- was the general thought, through the press to the public, that N. R. A. is not Little Orphan Annie, that it is a very live young lady and has the backing of the Administration and we expect a bill to go through guaranteeing it two years more of life. The action yesterday was, I think, calculated to explain that it is not Little Orphan Annie. We are very much interested in its progress.

Q Can you tell us anything about Senator Borah's visit today?

THE PRESIDENT: No, except that I see him occasionally and we just talk about a great many things, nothing in particular. We exchange views. He asks me questions about various things and I ask him questions about various things.

Q Any discussion of politics?

THE PRESIDENT: No.

Q Did he say anything about foreign affairs?

THE PRESIDENT: We talked about pretty nearly everything. For example, somebody said, "Was N. R. A. discussed?" N. R. A. was not discussed but the general problem -- just to use this as an example -- the general problem of excess production in certain industries was discussed, but no relationship to N. R. A. We were talking the principle rather than the details of legislation. That related to all the other things, foreign affairs, too. It was a very satisfactory kind of a talk because he is an extremely interesting man.

Q Would you care to make any comment on the sale of gold to Mexico?

THE PRESIDENT: Except that there isn't any news in it. We have done it before on several occasions with other nations.

Q Mr. President, were you consulted by the Department of Commerce before the signing of the new contract with the United States Lines for the construction of a new ship?

THE PRESIDENT: I did not read the contract but it would not be fair to say that I was not consulted.

Q Before the contract was signed?

THE PRESIDENT: I was not consulted as to the contract. In other

words, the only thing we consulted about was the perfectly obvious question that arose last year. We thought we would make an honest attempt last year to prove the right or wrong of it. Last year, about this time or a little earlier, the question of using the LEVIATHAN, compelling the use of the LEVIATHAN under the terms of the contract, came up and the United States Lines said they would lose a lot of money on it, the ship would only run a quarter full or something like that but we all felt that at least the test should be made, so we compelled the Lines to put the ship into commission. They did their best to fill that ship but the travelling public would not use the ship. This year the question came up again and under the famous case, Merchant of Venice, 233 Shakespeare page 42, we decided not to demand the pound of flesh. In other words, we decided not to compel a private company to undergo a certain, definite loss. We used the rule of reason.

And then when it came to the question of the savings -- not the savings but the permission to the Lines to avoid a loss to the tune of $500,000., the Lines agreed to put that sum into a new ship, which was pretty satisfactory.

Q In other words, what is described as the $500,000. penalty for the waiver of the contract will go into the new ship?

THE PRESIDENT: Which seems like a good Yankee trade.

Q I asked the question because you said something about the lending of money for the building of ships as a policy?

THE PRESIDENT: Yes, but unfortunately I am bound by the present law and as long as the present law is on the Statute Book, any steam-

ship company has the right to come to the Government and demand a loan. I hope the law will be changed and, as I understand it from the contract, although I have not read it, if the law is changed as recommended, the building of the new ship will be under the new law rather than under the present law.

Q You said that the N. R. A. story was accurate. Is the partial Administration support of the Wagner Labor Dispute Bill also accurate?

THE PRESIDENT: I did not read that story.

Q It is all in the same story. (Laughter)

THE PRESIDENT: I was talking about the N. R. A. part of the story. (Laughter)

Q Going back to foreign affairs, can you tell us whether you discussed the German situation specifically with Senator Borah?

THE PRESIDENT: No, not specifically. (Laughter) We did discuss the European situation pacifically. (Laughter)

Q Can you tell us anything about your conference with Governor Eccles today?

THE PRESIDENT: I don't think there is any news in it. He told me what he had been doing before the Congressional Committee and that is all.

Q Can you give us some direct quotes on Little Orphan Annie?

THE PRESIDENT: Oh, I think so. (Laughter)

(The Press Conference adjourned at 4.11 P.M.)

CONFIDENTIAL
Press Conference #193-A
With the Farm Journal Editors
Executive Offices of the White House,
March 22, 1935, 4.30 P. M.

THE PRESIDENT: It is good to see you all. Here is a fellow (Secretary Wallace) who is an editor.

SECRETARY WALLACE: The job these fellows have to do is just as difficult a job as being Secretary of Agriculture. They have been here for the last two or three days and have been meeting with us, and have drawn up a resolution which they have asked me to present to you.

THE PRESIDENT: We have some pretty big problems and we are getting on top of them, slowly but surely.

I have a good deal of interest in some of the things you are all doing, not only on the national end of it but on the personal end of it, because I have the problem of being a part-time farmer in New York State and a part-time farmer in Georgia. You cannot imagine any two counties where the conditions differ more than they do in Dutchess County and in Meriwether County, Georgia. So I have a pretty broad picture. I do not have a farm in what has become known as the dust area. That, again, is a difficult problem.

I would like to tell one story to the breeders: I believe that I have the most extraordinary herd of cows in the world up at Hyde Park. In 1848 my father, running a farm, got it into his head that he wanted to bring over some Alderney pure-blooded stock, so he got two or three bulls and about twenty or thirty Alderney cows and kept them for about twenty years, all registered, and at the end of twenty years he decided that they were too delicate for our Hudson River climate, so he began buying Jersey bulls and he crossed the original

Alderney cows with nothing but registered Jersey bulls from about 1870 to about 1895. Then he decided that he didn't like the Jerseys quite so much -- I do not know what the herd was by that time; you can figure it out for yourself but, mind you, nothing but registered stock -- and about 1895, when I was a small boy, he was going to change that herd into Guernseys so, from 1895 on, we had nothing but registered Guernsey bulls. So you had better get a piece of paper and pencil and figure out what kind of a herd I have got. (Laughter)

My chief claim on Hyde Park cows -- and I always rap on wood -- ever since T. B. infection came in, I think it was forty years ago that we started it around our section, we never had one single case of T. B. in the herd, which is a pretty good record these days.

I am awfully glad you are all down here and the chief point to emphasize is that we do not think we know it all down here. We do need help but we do not want knocking -- we want constructive help. We are all interested in the same objective. There are a good many roads leading to that objective and the thing to do is to find the road. What we want is increased purchasing power in the farm areas and if they do come along, they will get it.

It is good to see you all.

SECRETARY WALLACE: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #193-B,
Aboard the Presidential Special Train,
en route from Jacksonville to Washington,
somewhere in South Carolina,
April 8, 1935.

THE PRESIDENT: It looks like an outdoor tan, doesn't it?

Q Mr. President, I got an indoor one too.

THE PRESIDENT: Was your behavior good, Fred (Mr. Storm)?

Q (Mr. Storm) I slipped a couple of times, Mr. President.

THE PRESIDENT: We had a grand time. We did not have a single bad day, the whole time we were there, nothing but sunlight until yesterday morning when it blew like mad for about three hours and then it blew last night too, coming up.

Q I wish you had caught a real one like we did on the destroyer coming down here last summer.

Q What do you call that (ship--the Farragut--on which the President came ashore), a destroyer leader?

THE PRESIDENT: Just a destroyer.

Q How many tons?

THE PRESIDENT: Fifteen hundred. Do you remember up in Newport last summer the British had a 3500-ton cruiser? This looks pretty nearly as big.

Q Has it any heavier plate than the ordinary destroyer?

THE PRESIDENT: No.

Q You can still puncture a hole in it?

THE PRESIDENT: Yes. If a torpedo struck her going at full speed, it would go right through.

Q It looks like a cruiser.

THE PRESIDENT: Very much. That is a 5500-ton class and there are four of them

in commission. Two of them (will go into commission) this year and a lot more next year, nine, I think. The destroyer leaders are 1800 tons, 300 tons bigger.

Q How many (knots) does she make, thirty-three?

THE PRESIDENT: Thirty-seven and a half but we are not saying it out loud. It is a great ship and absolutely steady.

Q I will take her next summer instead of the GILMER. They have a little more room in the wardroom.

MR. JAMES ROOSEVELT: She has no vibration at all. We woke up in the middle of the night and thought we were on land. It is Betsy's boat. She christened her.

Q She certainly picked a nice one.

THE PRESIDENT: Did you get the message about adjectives?

Q No.

THE PRESIDENT: Didn't you see it?

Q No, we did not get that.

THE PRESIDENT: Didn't you get the one about adjectives?

MR. JAMES ROOSEVELT: Oh, you so-and-so! We spent hours on that.

Q Mr. President, Mac (Mr. McIntyre) was kissing a hand at the moment and did not let it get by.

THE PRESIDENT: There was no color in your stories; I read them. The last time the plane came out there was no color so I supplied color and Mac held it out on you.

MR. McINTYRE: I did not really hold it out -- I just could not get it mimeographed in time.

Q Mr. President, off the record, let us have it. What was it? Just for our information.

THE PRESIDENT: It was everything.

MR. McINTYRE: I saved a copy and I will show it to you.

Q Mr. President, is there any news on the record?

THE PRESIDENT: Let's keep it off the record -- none of it on the record -- off the record, how much did I win today?

MR. JAMES ROOSEVELT: Twenty dollars.

Q Mr. President, I forgot to get my part of the grandstand in Tropical Park, which I own. I lost $58 out there and I still have got to get my plank out of the grandstand.

Q You own a piece of Bailey's. Joe Kennedy took us into Bailey's.

THE PRESIDENT: Somebody wrote a lovely story about my sitting on a swivel chair on the afterdeck of the NOURMAHAL. That did tickle my fancy.

Q (Mr. Trohan) It looks like me.

Q I wrote a nastier one than that but I did not write that.

Q I said you had trolled hundreds of thousands of miles and did not get a bite.

THE PRESIDENT: I think they all carried the story that we had been catching fish for the aquarium and they also said that we had been netting fish for the aquarium.

Q I wrote that.

THE PRESIDENT: We hauled the seine one day, with the aid of the destroyer's crew and everybody on board. You pick a sandy beach -- you have to find a place where it is more or less rocky bottom off shore, and then you take one end of this net, which is about eight or nine feet deep and about 400 feet long. It is weighted on the bottom and there are floats on the top. You take one end and anchor it on the beach and then gradually work it out, with (some) people in the water wading,

and the rest in a boat, and you work it out like that (indicating) and around in a great big circle and back to the beach, and, having made a complete circle, outside the circle they all splash. They make a great deal of noise and gradually you work it in and work it in until it gets down to bottom and then you work it in from there to the shore. It is a tremendous performance and a tremendous net, and finally it got narrower and narrower circle and then it got down to 30 feet across and then 20 and finally they hauled it onto the beach, expecting a large catch. In it were two fish that long (indicating) -- two fish that long, and one fish that long (indicating). (Laughter)

Q Who watched out for the barracuda while all this was going on?

THE PRESIDENT: I sat on the shore and right outside was a big shark. It would not come in with a crowd like that.

Q We went down to Key West. They had some horrible specimens (of marine life) down there.

THE PRESIDENT: We caught an awfully big shark night before last, right from the stern.

Q What did you use, a big hook?

MR. JAMES ROOSEVELT: Yes. It was 530 pounds -- 12½ feet long.

MR. McINTYRE: What was the story about mental relaxation you were getting on the ship?

THE PRESIDENT: (laughing) That is on you.

Q (Mr. Stephenson) Isn't it true?

THE PRESIDENT: Every morning at breakfast we would get the U. P. news coming out over the radio marine and Vincent (Mr. Vincent Astor) -- this is off the record -- and Vincent had a perfectly swell game.

About every second or third night he would send up to the radio operator some crack on somebody on board. Last year it was Fred Kernochan who was constantly being investigated by the new Administration and about to be thrown out, et cetera. The night before last an item appeared in the ship news which read as follows:

> "The secretarial office in Miami is being closed and Mr. McIntyre and staff will join the President sometime tomorrow. Mr. McIntyre intimated -- what is it? -- in a final press statement Mr. McIntyre intimated that the President had enjoyed great relaxation on this trip, especially in view of the fact that the mental calibre of his associates scarcely required effort on his part."

Well, Freddie Kernochan caught on; Kermit (Roosevelt) swears he did but I know damned well he did not.

MR. JAMES ROOSEVELT: He went around saying, "Damn it all; McIntyre is drunk again."

THE PRESIDENT: George St. George was pretty sore and Will Stuart was really awfully angry all the way through and Russell Heiter also thought that Mac was drunk again. He (Vincent Astor) did have them fooled completely.

Q (Miss Fleeson) Fooled?

Q Mr. President, you know that Adolph Ochs has died?

THE PRESIDENT: I know it, yes. The poor old boy was pretty sick for a long time. I will have to tell, again in the family, Charlie's (Mr. Hurd's) story -- I do not know if he wrote it. The summer before last Mr. Ochs came to lunch with me at Hyde Park. Do you remember?

Q (Mr. Hurd) Yes, sir.

THE PRESIDENT: He was tremendously interesting but entirely different from any time I had ever seen him before, and he got on the subject of

interest -- that is one of his pet hobbies -- and he said, "The time will come all over the world when the original Jewish law in regard to interest will be universal." The Jews under the old law were never allowed to charge interest on any loan and it was not -- this was something I never heard of before -- it was not until they started living in ghettoes and moved from place to place, where they could not be sure of living in any one place, that they got dispensation from the law and started to pay interest. That was the origin of interest -- because they kept moving Jews around from time to time. The old man said, "The time is going to come when they are going to eliminate the excessive interest rates and the next thing we are going to eliminate is interest altogether."

Q There is an interesting story to go along with that (a story on interest rates). When the Hoover administration started to loosen up the gold restrictions, we went down to see Mellon (former Secretary of the Treasury) and he said that it would not be a Lombard loan. Somebody said, "What is a Lombard loan?" Then he thought and he went off into a 20-minute explanation but nobody knew what he was talking about. Then somebody said, "We asked you about that Lombard?" He did not explain it any better so they went in to see Ogden (Ogden Mills, formerly Under Secretary of the Treasury) and, boy, did he go into it! What Andy (Mr. Mellon) said was child's play. But they still did not know what a Lombard loan was. They tried some of the wise men on the Hill without success, and so, finally, they had to go and write about this new bill. All they knew was that it was not going to be a Lombard loan, so they went over and picked up a big dictionary and it said that a Lombard loan is a loan made on any

kind of security. That is all it meant, and they had gone all over town. (Laughter)

THE PRESIDENT: Well, that goes along with the average financial story which is written. I have never seen a financial story yet that made sense.

Q When they did get the bill out, we checked up on it and asked what the purpose of it was and they said, "This bill is to create four billion dollars in free gold." They meant that the free gold would not be used as a cover for money in exchange but would be available for new money. But they could not say that; they said, "Four billion dollars in free gold."

THE PRESIDENT: Somebody would have invented the word "inflation." I have been reading a lot of financial literature on the trip and it really is awfully interesting. I brought down several books by English economists and leading American economists and there are two things that stand out. I suppose I must have read different articles by fifteen different experts. Two things stand out: The first is that no two of them agree, and the other thing is that they are so foggy in what they say that it is almost impossible to figure out what they mean. It is jargon; absolute jargon.

There is one fellow, I have forgotten who he is, an English-man who writes for one of the weeklies like the Spectator, a national weekly or something like that, and he got off -- it is an old story now -- but I think it was the best description of what happened on the famous fourth of July, 1933, when my Message went over. He said the press always looks for spot news and the only thing they could carry was that my Message had busted up

the economic conference, and that was the story, that my Message had busted up the conference. That was all the newspapers cared about because that was spot news. But he went on to say that if they had analyzed it, they would have discovered that what the President had said was almost a repetition of what had already been announced in the Ottawa Conference in 1932, which was repeated two weeks later by the Imperial Conference in London itself -- in the Imperial Conference report. Both of those passed absolutely unnoticed, although those two statements of the British colonial policy and my policy were essentially, 100 per cent, identical. Actually, in my Message to the economic conference, I had put up a brand new theory, except that the Ottawa Conference beat me by a whole year. That (theory) was to stabilize values, and if you once did that you would get stabilization of exchange. But that was overlooked.

Q Was that the Message you got up at Campobello?

THE PRESIDENT: That was the Message I sent out from the INDIANAPOLIS after leaving Campobello.

Q That was the one we waited for but did not get?

THE PRESIDENT: Yes, it was; I had a bad time; that damned radio, you know. There is another interesting story that you cannot tell. The State Department would not allow me to use Navy code, which is very simple. The Navy knows all about it. It is comparatively quick to decipher. We had to have a State Department code to communicate with London. So they put a State Department decoder on the cruiser. At first he was on the destroyer. Those things would come in -- he would get whole groups that were entirely garbled,

that did not make sense, and he would have to ask for a repeat from the State Department and it would be a number of hours before I would get a correct message. There was a terrible delay. Finally we got to Campobello and we spent two nights there -- or only one. I guess it was the second day, about 1:00 o'clock in the afternoon, somebody came ashore -- I guess it was you (Mr. McIntyre) -- from the cruiser, the INDIANAPOLIS, and said, "there is a long State Department dispatch coming in from London" and we went off on a picnic or something and came back in the evening and Mac went out to find out why we had not received the message and he found the whole thing was garbled and could not be decoded. He asked for a repeat and it was sent by wire and instead of being sent to Eastport, they sent it over the Canadian Government's telegraph. It went to St. Andrews, New Brunswick. There it was taken over from one ticker and then it was sent by submarine cable to another ticker at Welchpool on Campobello. I got the message in garbled form just before I left on the ship the following morning. Even then it was not entirely clear and I had to guess much about it. It was only then that I wrote the reply, so that you people did not miss anything on it.

Q It takes them a long time in the State Department.

Q I will never forget the time I covered my first State Department Conference. Those fellows who covered it before knew better than to ask a direct question -- it is bad form. I very industriously took notes for a half hour and it sounded vaguely familiar and I discovered, after I got all through, that there was one sentence that could be used, maybe, on page 28.

THE PRESIDENT: I heard they got all excited because there was one night where a message did not get in because of static.

Q The day you lost at sea.

THE PRESIDENT: Well, we got that off at 6:00 o'clock. You did not get it until 2:00 o'clock in the morning. There was an awful lot of static, wasn't there?

Q What is that due to, atmospheric conditions?

THE PRESIDENT: Yes.

Q What amazed me was that everywhere you looked there were storm clouds and yet they are always having a drought. Key West is very dry.

Q They say Miami hasn't had a real good rain since last December.

THE PRESIDENT: Well, we will go right on through to New York and come back tomorrow afternoon.

Q Anything doing at the White House late tomorrow afternoon when you get in?

THE PRESIDENT: No.

Q Did you take off some weight?

THE PRESIDENT: I think so. I will see you tomorrow. Are you all going through?

Q Yes, sir.

(End)

CONFIDENTIAL
Press Conference #194,
Executive Offices of the White House,
April 10, 1935, 10:40 A.M.

Q You certainly have a full house today. There must be 200 out there today.

THE PRESIDENT: There isn't any news; I do not know why they are coming in.

MR. DONALDSON: All in.

THE PRESIDENT: Well, the class is very glad to see the teacher at the opening of the new term. The class has behaved itself very well when it was on holiday. It has come back eager to learn from its teachers.

Q Did you return just as tough as you did last year?

THE PRESIDENT: Oh, yes; tougher.

I do not know any news. I got in here quite late yesterday afternoon, cleaned up a lot of mail which had to be signed, saw the Speaker and Mr. Doughton last night. That is about all the story there is on that and that is about all the news there is.

Q Mr. President, do you care to comment on the proposal to eliminate the cotton processing tax? Somebody made a suggestion along that line.

THE PRESIDENT: Do you know what it was?

Q No, sir, I just had it generally.

THE PRESIDENT: Of course, the only comment that is possible to make is that if the reduction payments are continued somebody has got to pay for it. Obviously it cannot come out of the four billion dollars, because that is relief and this other is not relief. I haven't had any suggestion yet as to where the money would come from excepting the processing tax. That is just common sense.

Q Mr. President, what progress has been made on allocating the four billion

eight hundred million dollars?

THE PRESIDENT: The only progress I know of that was made was that some people got themselves out on a limb in writing stories and then, when I did not come across within five hours of my getting to Washington, the stories were written that the thing had been delayed. Of course the thing has not been delayed at all. I think probably that we ought not, any of us, to over-stress what might be called the purely mechanical administrative set-up. The work will be carried out, the greater part -- far and away the greater part of the expenditure -- will be carried out by existing agencies of the Government. Now, that is something that everybody, in trying to write news, has forgotten. Far and away the greater part of the four billion dollars is going to be spent by existing agencies of the Government.

Now, they have all been studying on these plans that have been coming in, requests for allocations, et cetera and so on, for a long time, and it is going to take, of course, a long time in getting certain types of work actually under way. For instance, take the easiest example. Out of the bill, the Congress earmarked six hundred million dollars for CCC Camps. Well, I cannot immediately enlist three hundred thousand new young men off the relief rolls and start them off in camps tomorrow. We have, first, to build the camps. There is a simple illustration and, just to use that same analogy, Fechner is coming in today to ask me about the schedule -- I suppose that is the easiest way of putting it -- the schedule for building up the CCC to whatever we decide shall be its total number. It probably will be somewhere around six hundred thousand. Of course, that would raise another question when you come down to it, and I am

just using this as one example: In order to carry out the intent of Congress, we should make this money, out of the four billion dollars, the amount for the CCC, last through to the first of July, 1936. The present appropriation, last year's and this year's, goes from April 1st to April 1st, which is rather complicating it, and therefore I am inclined to think we will have to allocate more than six hundred million dollars in order to have six hundred thousand boys carried through in the CCC Camps up to the first of July, 1936.

That is just an illustration of twelve or fifteen or twenty different existing Government agencies. There won't be very much of a story on it. We will have some kind of -- I don't know, you could call them boards or committees or meetings, which will tie in all of the work together. I don't think there is going to be very much of a story in it. I am sorry.

Q Will there be a co-ordinator?

THE PRESIDENT: I guess not, no.

Q To put this relief army to work, three million five hundred thousand men, you have to have certain types of skill. Are these projects going to be planned so you have to move large armies of workmen from center to center?

THE PRESIDENT: Just as little as it is possible to do it. Of course, in the working up of this thing, there has been a tremendous amount of study made and the thing is proceeding. Whether I announce something today or tomorrow or the next day does not make any difference whatsoever. The work of coordinating the thing is going ahead very nicely. The first question we have to ask, and this goes to your question about moving people, is to take an area and say, "How many unemployed

are there in that area?" In other words, how many people do we have to take care of within that area? The area would be, roughly speaking, within daily bus distance. That is, of course, just a rule of thumb expression. What would that be? Thirty miles each way. Now, within that area how many people are there unemployed? That is the first question.

What you are asking about is moving them so far away that you have to build buildings to house them. Of course, we will have to do a small amount of that.

Q Senator Van Nuys expressed the hope that you would not have to use the entire fund for work relief. Do you think you will have to?

THE PRESIDENT: I hope not. I have said that all along.

Q Any indication of what plans you have in mind for what relief you can afford white-collar men, professional men, doctors, lawyers and other men such as you will find in New York City?

THE PRESIDENT: I cannot give you any details. We will take care of as many as we possibly can. It is a difficult problem.

Q A great deal of trouble?

THE PRESIDENT: Yes. You take a clerk thrown out by a bank or a brokerage house in Wall Street. What is he going to do?

Q Any idea of when you can reach your peak in this thing?

THE PRESIDENT: The original plan was somewhere around the end of October. Now, of course, that will be later probably because of the delay in getting the bill through but we hope certainly to reach the peak before the middle of November. In other words, although there was a two-months delay, we hope to pick up one month of the delay.

Q The appropriation bill makes available this fund until July 1, 1937.

Is it your intention to use it within the coming fiscal year?

THE PRESIDENT: Spend all we possibly can before July 1, 1936? That will be something we will try to shoot at. Of course there will be some projects which the engineers and everybody else think can be completed by that date but, when you actually come down to it, there will be delays due to mismanagement and acts of God where it will run over after the first of July. But we are shooting for the first of July, as far as possible.

Q Anything new with respect to the neutrality policy?

THE PRESIDENT: No.

Q In these regional agencies, such as in the upper Mississippi Valley and that sort of thing, are there likely to be regional heads of some kind to coordinate the different kinds of work?

THE PRESIDENT: I think so.

Q Has it been decided who is going to handle housing yet?

THE PRESIDENT: No.

Q Will that be a new set-up, that regional organization?

THE PRESIDENT: I don't know. I haven't got around to it yet. We have two housing groups working at the present time.

Q Has Green (President of the A. F. of L.) and other officials written to you about the labor situation?

THE PRESIDENT: I do not think so. I had a letter from Congressman Harter about it. I am taking the thing up with the Labor Department, I think sometime today. I do not think I have had any letter from the Federation, have I?

(Mr. McIntyre indicated in the negative.)

Q Is there any possibility of Mr. Pierrepont Moffat, whose term expires,

becoming our new Minister to Greece?

THE PRESIDENT: I think he was sent to Australia.

Q He was going to Sydney as Consul.

THE PRESIDENT: I do not know; I do not think so.

Q Does your program (of appointments) for today have any further connection with work relief?

THE PRESIDENT: All of them. All appointments I have with various members of the Cabinet and I will probably talk to all of them about it.

Q Can you tell us what your attitude will be on a move to split the banking bill in two parts and drop the Federal Reserve end of it?

THE PRESIDENT: I am not up on it.

Q Can you tell us whether the Treasury will raise its price for silver if the world price goes up above that being paid by the Treasury?

THE PRESIDENT: I guess I had better not. I guess you had better ask Henry Morgenthau.

Q He won't say anything.

THE PRESIDENT: I will give you a tip on it. If the price of silver in Montreal, or London, or the New York market goes above 64½¢, the people who mine the silver will get more than 64½¢. It does not make much difference whom they sell to. It is the point of view of the silver miner.

Q Does the Federal Government contemplate offering any mediation in the labor situation in Ohio?

THE PRESIDENT: I have not talked to Perkins (Secretary of Labor) about it yet. I think the Labor Department is at work on it.

Q In view of the critical nature of the European political situation at the present time, do you think the best policy of the United

States is to remain on the sidelines? (Laughter)

THE PRESIDENT: How old is that? I think you will have to do your own deducing from things happening from day to day.

Q Can you tell us which organization will handle direct work relief as contrasted with loan or grant relief?

THE PRESIDENT: How do you mean?

Q I mean a good deal of the work will be done by force account. Mr. Ickes does it by loan and grant. There is a differentiation in the bill between loans and grants.

THE PRESIDENT: It will take me twenty minutes to explain the thing. There are six or eight different Government agencies which are fully capable of handling a certain portion of the work by force account. The easiest illustration will be on the Upper Mississippi. Most of that work on the dams up there has been by contract, entirely by contract. Now, in the future a portion of it might -- I am simply saying "might" not "will" -- might, on the common labor end of it, be done by force account and the technical part be done by contract.

Q Will the F. E. R. A. handle any large portion as it did under C. W. A.?

THE PRESIDENT: It depends on what portion of the work it is. In that case it will be the Army Engineers. It depends on what agency of the Government is charged with carrying out the work.

Q In your Message to the Congress you mentioned a particular relief setup. Will there be any organization under the new plan different than in the past?

THE PRESIDENT: Yes.

Q Has Hull (Secretary Hull) discussed with you the neutrality program he has been working on?

THE PRESIDENT: Not yet. We are going to talk about it today. He is coming in at three o'clock.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #195,
Executive Offices of the White House,
April 12, 1935, 4.20 P. M.

MR. DONALDSON: All in.

Q Is there any such thing in the offing as a money stabilization conference being contemplated?

THE PRESIDENT: No.

Q Mr. President, there was another grade crossing accident last night and I think there is a grade crossing elimination item in your bill. Can you tell us how soon that will be administered and how it is going to be administered?

THE PRESIDENT: There's a grade crossing item in the bill and I hope we can use the full amount that has been suggested. This accident in Maryland is just another illustration. In various parts of the country they are having similar accidents in much too large numbers. This particular accident, as I take it, was on a side road, a little bit of a side road, where public buses ought never have been allowed to go. That shows the need of regulation. Secondly, on any main through line like the B. & O., there should be grade crossings in so far as possible, or else gates to protect the crossings. We have certainly had enough accidents in the past fifty years to prove the point that we do not seem to have got very far.

Now, on these grade crossing allocations, we have to adopt certain principles. We cannot let it go just hit or miss, any old crossing that somebody wants, and therefore we are going to spend it, in so far as possible in accordance with one or two rather simple rules. In the first place, we want to spend it before July 1, 1936, and therefore, because

speed is essential, we cannot spend it on crossings where condemnations of land would take a long time. We are going to put up to the states and to the municipalities the responsibility for getting the land so that we won't be held up by the problem of land purchases.

Q Is some of that going to be spent in cities?

THE PRESIDENT: Yes.

Q Did you say the problem of getting the land?

THE PRESIDENT: Getting the land, yes. That will be put up to the cities and the states and the counties so that when they bring us the projects or applications for the elimination of a grade crossing, the first question we will ask them is, "Have you got the land?" Then the second question we are going to ask is, "Is this on a main-line railroad?" The reason for that is that probably the present tendency in railroading is towards the abandonment of branch lines. Buses and trucks have already made most branch lines of railroads unprofitable to operate, and there is a growing tendency to abandon mileage on those little branch lines.

Furthermore, with the new streamlined trains that are coming in, the speed of trains on the main through lines is going up from forty-five or fifty or sixty miles an hour to seventy-five or eighty miles, and when a train goes through the countryside at eighty miles an hour there is all the more need for grade crossing elimination. Therefore, we are going to try to confine grade crossing elimination to the main through lines which will, in all probability, equip themselves with very high speed passenger trains.

Q Have you, sir, any fixed estimate in your mind as to how much of this money might be spent within this period?

THE PRESIDENT: We don't know. The estimates run anywhere from one to two hundred million. We won't know until we have the applications in.

Q Are railroads going to be asked to share in the cost?

THE PRESIDENT: No; outside of the cost of land it will be entirely borne by the Federal Government.

Q Who will administer it, the Bureau of Roads?

THE PRESIDENT: Yes. I don't know about the machinery yet, but they will probably set up a special division in the Bureau of Roads to handle the grade crossing end.

Q Any question whether the cost of this might go into the railroad rate base?

THE PRESIDENT: I don't know.

Q I mean, this improvement might be of considerable importance to the railroads.

THE PRESIDENT: Aren't we trying to reduce the railroad rate bases now?

Q Yes, sir.

Q Have you given any thought to the transportation message of late?

THE PRESIDENT: No.

Q Will the Federal Government lend to buy the land?

THE PRESIDENT: No, we won't have to provide the land so we won't have any question raised as to whether we are paying too much or not. The responsibility is up to the local government.

Q And the construction is outright grant?

THE PRESIDENT: Yes.

Q Is the construction to be carried on by the Bureau of Roads?

THE PRESIDENT: That depends. Some states are equipped to do it themselves. For instance, the State of New York has a regular Grade Crossing Elimination Bureau perfectly competent to handle it. Some states have not got grade crossing elimination officers and will probably prefer to have us handle it directly.

Q About Speaker Byrns' call the other night, and Representative Doughton's, discussing social security. Can you add anything to that?

THE PRESIDENT: Well, there were two questions raised at that time which will probably come up in the form of amendments in the House, and there is no reason why there should be any secrecy as to the attitude of the Administration on those two amendments. The first amendment relates to the old age insurance title and would eliminate any contribution by states. The Administration necessarily opposes that on two perfectly good grounds: The first is that twenty-eight states already have old age insurance and have their machinery set up to administer it and are paying the whole of the cost. For example, in the State of New York the state pays half the cost in the locality. The county or city pays the other half. Under the provisions of the bill, the actual cost to these states will be reduced because of Federal contributions and there does not seem to be any valid reason why the states should be wholly relieved from carrying out an obligation that they have already assumed and are managing to finance with perfect ease. Then the other reason is what might be called a democratic one. If the Federal Government were to pay the whole cost of old age pensions and no contribution on the part of the state, obviously the entire administration would be Federal administration. In other words, it would create a vast Federal army in all of the forty-eight states and the states would not have anything to say about it whatsoever because they would not be contributing one cent. Therefore, because we do not want to create a huge Federal army of Federal political appointees, et cetera, we prefer to have the states assume the burden of management and to contribute one-half the cost. That relates to one of the amendments.

The other amendment looks to the elimination entirely from the bill of the equally important half of the bill, when it really comes down to that, relating to unemployment insurance. What I have tried to make

clear, not only in talks with members of Congress but also in my message, is that this whole social security program is the ultimate answer to balancing the budget, which is an interesting point of view which I think might well be developed by the New York Sun and the Wall Street Journal and others. Right, Phelps (Mr. Adams)?

Q (Mr. Adams) I will fix it up for you, Mr. President.

THE PRESIDENT: In other words, there are two reasons for that. The first is, of course, that the old age pensions ought to take off the relief rolls everybody over 65 years old. Well, that will be a tremendous help to the Federal budget, without any question. The other factor, unemployment insurance, will also keep off the relief rolls a very large number of people, after it gets into operation, because it is the cushion that operates to maintain purchasing power on the part of the country when and if the country, in the future, starts into a major decline, an industrial decline, as it so often has in the past. If you make that cushion sufficiently large to prevent an immediate stopping of the purchasing power, you prevent the depression from going more than a short distance. Through an unemployment insurance plan a cushion is created for people who lose their jobs, thereby maintaining over a reasonable period of time purchasing power which they otherwise would lose. At the same time, you keep them off the relief rolls of the locality or of the Federal Government and make for a much greater certainty of a balanced budget in the future.

Now, those two things I have very, very definite ideas about; -- unemployment insurance goes absolutely hand-in-hand with old age pensions and the two of them together will implement the Treasury Department and the general policy of the Government in trying to cut down in the future after they get into actual operating effect the amount of money necessary to appropriate each year for relief or work relief. Financially, it is the

soundest thing we can do.

Q Have you discussed with Richberg (Mr. Donald Richberg) or the Attorney General the prosecution of the Colt Patent Firearms Manufacturing Company?

THE PRESIDENT: Yes. Not with the Attorney General. I talked it over with Senator Nye and Richberg.

Q The prosecution of them for violation through the Compliance Division?

THE PRESIDENT: Not that. Only the question of the hearing before the Nye Committee today, and I told Senator Nye, because of the fact we hope that the strike up there was in process of settlement, that there would not be any investigation before the Committee today. We put it off for a few days, hoping that it will help to settle the strike.

Q Will you be willing for the investigation to go ahead if not settled in a week?

THE PRESIDENT: Not settled in a week? Depends on the status. I would rather settle the strike first and then take up the legal problems.

Q Anything on the Governors' Conference today?

THE PRESIDENT: We talked about cotton inside and out. I had some figures for them and they are now all in the Cabinet Room, continuing the talk. It is a very difficult problem, one that I have been more or less familiar with ever since I was a small boy, having spent many months of the year around New Bedford, Massachusetts, and being related to half of the people who own cotton mills in New Bedford. I do know something about it.

There is one thing I told the Governors and representatives and that is something that is worth publishing. There has been a great deal of -- I don't like the word "propaganda", but there have been a great many statements made and figures given out in regard to Japanese competition. For instance, we have had appeals from many chambers of commerce stating

that this year, on the basis of present imports, we will import into this country twenty-four million yards of Japanese cloth. Now, when you come down to actual brass tacks, in other words, actual imports, you find a very different story. The figures show that while the imports of Japanese cotton textiles have gone up very much beginning last December -- in the Summer they rose from an average previous part of the year five hundred thousand yards a month, they rose to two million two hundred thousand yards; they went up four times in January, they went up to three million three hundred thousand yards and in February to four million eight hundred thousand yards. Now, on the assumption that during the balance of 1935 we continue to import Japanese textiles at the rate of January and February of this year, it will mean an importation of approximately forty-nine million yards. That sounds like an awful lot of cotton. Based on American production for the year 1933, which is about the same as 1934 and 1935, as far as we can guess, that total Japanese importation this year would be seven-tenths of one per cent -- seven-tenths of one per cent of the American production.

In other words, all of these increased imports in the last two months, if carried on through the year, will be less than one per cent of American production. That is just for the record, because that is based in part on the only definite figures we have and in part on estimates for the future. We are merely assuming that the Japanese imports will continue at the same rate.

Now, if they should go up very, very materially, that would be a different thing and we would have to cross that bridge when we come to it.

Then there are a great many other phases, the difference between the North and South, the newer machinery they have in the South, and we talked about other countries like Brazil who are putting up cotton mills of their

own. They are still engaged in discussing all those things in the Cabinet Room.

Q Any decision reached on loans on cotton next year?

THE PRESIDENT: No, not yet.

Q Any progress in the labor situation?

THE PRESIDENT: Steve (Mr. Early) tells me that there are, in the Cabinet Room, besides the governors, the Secretaries of State, Commerce, Agriculture and Labor.

Q Any progress in the rubber strike situation?

THE PRESIDENT: No. Miss Perkins reported progress.

Q Can you give us any idea when you would be likely to send a bonus Message up to the Congress?

THE PRESIDENT: I do not know that I am going to send a bonus Message to the Congress.

Q Senator Robinson or Senator Harrison indicated that you were going to.

THE PRESIDENT: I might and might not.

Q Would you apply to highway allotments the same ideas and general rules you applied to grade crossings?

THE PRESIDENT: On highway allotments, in general, they would be administered through the regular machinery of the Federal bureau and the state commissioners. There is practically no change. Very few changes except in certain cases where it may be cheaper or more efficient for us to do it directly.

Q Are interest rates going to be lowered on Public Works loans?

THE PRESIDENT: I don't know; that is something I have not taken up.

Q The mayors have consistently complained that they could not borrow money at the rate of four per cent?

THE PRESIDENT: It is a pretty good guess that if we can borrow money at three

we will have to reduce the rates of interest to the cities.

Q Your son Elliott says you are going to Texas this summer; anything about that?

THE PRESIDENT: That is just a hope.

Q Nothing definite?

THE PRESIDENT: That is right. I have been talking about it to the Vice President. I told him that as long as he would not come down to Washington between sessions I would have to go down to Texas and look him over.

Q That was a real workout (referring to the Press Conference).

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #196,
Executive Offices of the White House,
April 17, 1935, 10.36 A. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any particular news. I just suggested to Senator Young that a little later on, when it gets a little bit warm, we might have some of these Conferences out on the porch and then we will be able to see each other a little better.

Q In that connection, do you propose to revive the White House mint bed, over which you are now sitting?

THE PRESIDENT: By God, that is true, too. It was right under here. I think it has been adequately taken care of. I will make immediate inquiries because that is something of great importance.

Q Do you care to comment on the setting up of state agencies to supervise Public Works expenditures?

THE PRESIDENT: The only thing I can do is to tell you exactly what happened since last Wednesday. We have gone ahead and made some very rapid progress in the working out -- giving all kinds of --

Q (interposing) I was thinking of in Louisiana there is some thought of setting up a state agency to supervise the expenditure of Public Works projects.

(Laughter)

THE PRESIDENT: That is a different matter. I don't think I need to comment on that.

I might just as well go on with what I am talking about, Public Works. We made great progress in the past few days and I might just as well give you an illustration. Yesterday, Mr. Ickes came in and reported on the new information that we will require on every application for a municipal

or local project. In other words, either grant and loan or grant or straight loan, any one of those three, where the work is to be done by the locality itself rather than by a department of the Government. In the past, in making allocations, we have never required certain data that we will need from now on. For instance, the actual number of men who can be used by the project from the relief rolls and, secondly, whether it can be definitely finished by a certain date. It is information of that kind and we are getting the set-up all ready so that within a few days we will be able to tell all the municipalities and other local organizations that make applications exactly what information they have to give us before there is a chance of getting it approved.

Then, to give you another example, Mr. Hopkins is working out three things and they are very nearly finished. The first is an absolutely definite list of the unemployed everywhere. The second, which will take up probably another month or six weeks before we get it in final form -- it has been done in a majority of the places in the country already -- is to be a rechecking of those lists so as to be certain that as far as you can reasonably accomplish it, we will only have people on those lists that are in need of immediate work relief. The third thing is districting the country so that when projects come in we will be able to say that in this region -- not just merely in this particular township or county, but in this region -- there are such and such a number of people on the unemployment rolls who are employable, and we will look at that project from the point of view of the region.

Now, those regions in the heavily populated areas will be comparatively small geographically and in the sparsely populated areas they will be fairly large geographically.

On the whole, the progress has been very excellent and probably, on

what must be considered a more or less minor point, we will have something more for you in a few days on the actual administrative set-up.

I can tell you this on the actual administrative set-up and I think it may be useful in writing stories: There are two functions that should be treated entirely separately. The first is the function of allotment and, in the last analysis, that responsibility rests on me. I am going to get the best information possible in making those allotments by creating some kind of a round table conference where a great many different people will sit in. The object of that, of course, is a very simple one. This money will be spent in so many different ways that we want to be sure that every possible method of spending it has a fair hearing. If I limited the allotments to the information that I got from three or four people, obviously the people with much smaller projects would not get a chance to be heard. That is why we will have some kind of a round table conference from time to time with all the different agencies of government and whoever will report to us on applications from the outside, so that they will have a chance to be heard. If some man in some department of the Government has an awfully good idea or plan for spending $250,000, he ought to have his chance to be heard so that the huge projects won't be the only ones to be given consideration. This will be a clearing house, in a sense, and if the smaller project seems to be a very excellent one, it won't be crowded out by the bigger projects.

I suppose it is a fair guess that the total applications for projects will run from sixteen to twenty billion dollars. We will have a very large selection to choose from.

Now, that is the allotment thing. After allotments are made, and of course that has to be my final decision, you come to an entirely different field, which might be called simply the engineering or building

field. That means that various agencies and departments of the Government will go ahead and carry out the work or, if it is the case of a municipality that is doing the work, there will be some department of the Federal Government which will check up and see whether the municipality is living up to the timetable and the costs.

I hope you will get those differences in mind. They are completely separate functions. One is the allotment function and the other is the carrying out of projects. We are getting ahead with both of these and probably in the course of the next few days we will draw some kind of a chart for you.

Q How will you deal with that, around the table, like you did with the first one?

THE PRESIDENT: No, the second one -- suppose the City of Washington wants a new schoolhouse. That would be alloted in the Allotment Board and then, let us say, it is a loan proposition. The division which handles loans will -- of course, that would obviously be Secretary Ickes' division of municipal loans -- will make that loan to the District and he would be responsible, from that time on, for seeing that the District built that schoolhouse according to the time, on schedule, and at the same time Mr. Ickes would report back to me as to whether that schoolhouse was being built in accordance with the schedule.

Q There is one fundamental policy that seems not to have been announced. Are there going to be direct grants to states or loans?

THE PRESIDENT: In so far as possible, loans.

Q But you do expect --

THE PRESIDENT: No, I would not put it that way. I don't know whether we will have any grants at all, state grants. We want to get as much money as we can back. It will depend a good deal.

Q No definite formula?

THE PRESIDENT: No, no definite formula. It depends on circumstances of the individual municipality. That will be a trading proposition because they will try to get as much in the way of grants as they can and I will try to get as much in the way of loans as I can.

Q This is a detail but you spoke of Washington which has a tremendous proportion of pick and shovel men on relief. It is very difficult to prove what type of public works could keep a large proportion of the labor at work in this district. Has that come to your attention?

THE PRESIDENT: Yes and I think on that Commissioner Allen has a number of plans which will actually take care of these pick and shovel men. The District has a pretty good plan -- I do not know whether it has been released or not. Certain states have plans which should be sufficient to choose from to put everybody on the relief in those states to work. For example, the State of Alabama has a very excellent preliminary plan; the State of New Jersey has a good preliminary plan and the State of Wisconsin has a good preliminary plan, and other states are bringing them in fairly fast.

Q Mr. President, if the coal case is not settled this week, will you direct the Attorney General to prosecute them?

THE PRESIDENT: I am not familiar with it. I have not heard anything from it since last week.

Q Will the National Administration follow a hands-off-policy in the Kentucky gubernatorial primary?

THE PRESIDENT: I have nothing to do with primaries and cannot take part in them.

Q Getting back to work relief, will you give us an idea of the size of the districts, or will it be determined by population and by the number of the unemployed?

THE PRESIDENT: You cannot lay down a hard and fast rule. For example, you take out in the rather sparsely settled prairie country you get as big an area as is practical to administer. Now, that might be -- if you put it on a population basis, it would be an enormous area. It would be so big that you could not handle it. Therefore we have to cut it down to the practical geographical size which, because it is sparsely settled, would have comparatively few people in it. On the other hand, the City of New York, for example, would be an area all by itself, very small geographically, but seven million people in it.

Q I take it that no attention whatever will be paid to Congressional district lines?

THE PRESIDENT: Oh, no, not at all; not necessarily.

Q Do you contemplate recommending Congressional legislation in connection with the organic acts of Puerto Rico?

THE PRESIDENT: Not that I know of, but you had better not say I am not going to because I do not know anything about it.

Q About public works, the people are very much interested in knowing or trying to find out when dirt will begin to fly on the new projects?

THE PRESIDENT: It depends entirely on the projects.

Q A town that has a good project won't have to wait for the rest of the country?

THE PRESIDENT: No, except this, that of course you cannot start in -- there are practically no projects which will be started immediately because the engineering is not completed and they have not the materials on the job. Nobody can expect to start a project without materials. It may take a couple of months to get things ready. Of course, on the CCC Camps we will take in some people by the first of May.

Q What is your attitude toward those projects designed primarily to provide

educational or cultural opportunities?

THE PRESIDENT: That is the old question about the white collar men. All I can say is that we are going to do the best we can.

Q Quite a few articles have been written on the Wagner Labor Disputes Bill, specifically on the White House attitude, et cetera, and especially since the conclusion of the hearings. Can you tell us what the White House attitude is on it?

THE PRESIDENT: That is too speculative. Literally there isn't any news on this end.

Q Can the Copeland Merchant Marine Subsidy Bill be considered an Administrative measure?

THE PRESIDENT: There isn't anything on that.

Q Any truth to the news that you are sending a bonus bill to the Congress?

THE PRESIDENT: Nothing new on that.

Q This is an "if" question: In the event a bonus bill is approved, that will permit the veterans to cash their certificates, and the veterans are on relief, will that automatically mean that the cash in hand would not permit them to draw relief any more?

THE PRESIDENT: I do not know. You see, we are trying to get away from relief, trying to get work relief. You can only change that question by framing it to say, Would they still be on work relief? I do not know; it is something I never thought about.

Q Has there been any grouping of kinds of public works to be covered by these, such as grade crossings, with a definite table of the allotment?

THE PRESIDENT: No. You have to take an example. It will take more time than any other for grade crossings. Some states and some railroads have got plans immediately available; some states and some railroads know exactly how the land can be bought but, in other states and on other roads, there

has been nothing down on it except the vaguest kind of a survey and, therefore, we cannot take a definite sum at the present time and allot that to grade crossing elimination. We can make a pretty good guess that in the course of the next month we could allot such and such a sum to cover grade crossings, holding back some for a month from now and holding back some to the middle of June. Grade crossings will be one of the slowest because it involves getting land and materials. We hope to get the grade crossing program under way by the fall.

Q A part of it could be gotten under way very shortly?

THE PRESIDENT: In a few cases, yes.

Q Regarding non-Federal projects of a self-liquidating character, has it been determined what proportion will be a grant?

THE PRESIDENT: No, it depends on the value of the applications as they come in. They have got, in Public Works, I think somewhere around $900,000,000 of applications at the present time. That does not mean that they have $900,000,000 worth of good projects.

Q Anything new on the textile situation, please, sir?

THE PRESIDENT: Yes, there is. The day before yesterday I got from the NIRB (National Industrial Recovery Board) this large blue report which has been in process of working out over two months. It is a careful study -- there is another volume -- two volumes -- a study made by NRA in regard to bleached cotton cloth importations and three days ago I received it with the following recommendation from the National Industrial Recovery Board, a complaint under Section 3-E of NIR, addressed to me by the Cotton Textile Institute, Inc. I might say there were half a dozen other formal complaints made too. They just chose that as the one to go up on. It has been filed with the NRA and alleges that bleached cotton cloth has been imported into the United States in such amounts as to seriously

endanger the Code of Fair Competition. After examination of the complaint NIRB finds that the facts seem to be such as to warrant further investigation in accordance with Section 3-E of the Act and recommends that I ask the United States Tariff Commission to conduct an immediate investigation of the facts, give reasonable notice, hold public hearings and make recommendations in regard to the tariff on imported bleached cotton cloth. That I sent over to the State Department and the Secretary of State -- I got last night a letter from him that, in substance, wants the recommendation that the matter be referred to the Tariff Commission for investigation. I see no reason why it should not be made and it will go over to the Tariff Commission this morning to make a recommendation.

Q What is the principal source of these imports?

THE PRESIDENT: I do not know. I guess I had better keep out of that. (Laughter) They are just imports.

Q Mr. President, going back to Public Works, did you mention a check-up? I take it that refers to the check-up of the unemployed on relief rather than a census of the unemployed. The Government has never made that census.

THE PRESIDENT: No. I can tell you what we are studying. I think something may come of it in regard to the census of the unemployed. There has been a terrific amount of very, very loose statement in regard to the number of people unemployed. You take the Labor Department figures, you take the Federation of Labor figures, you take the people on relief rolls, and somebody multiplies it by five and gets twenty million people, and then somebody, like Frank Kent, multiplies it by six and gets thirty million people. (Laughter) The result is a real confusion and we have been very much concerned about it. We have talked about it before. We are seriously considering using the white collar people -- that is a very good example, they are going to be difficult to place anyway -- on a census of the un-

employed. We haven't decided on it yet, but we have been thinking of a real, honest-to-God census to be taken on a given date, and it has got to be taken on a given date because it moves around so much. We can probably do it for somewhere around twelve or fifteen million dollars. It is one of the projects under consideration, and it would be, in effect, a complete tally of the unemployed.

Furthermore, it will do this: It will separate into some very, very essential classifications of the people who are unemployed. For instance, here is an example. Some private organization, or even some Government organization, may go around in a given block to take a census or so-called census of the unemployed, and they will ring somebody's doorbell and say, "How many people are unemployed in this family?" It may be a family of a father, a mother and two girls. The mother takes an occasional job. The two girls may take occasional jobs. The father is definitely out of work. The figures may show the four unemployed in the family. Now, it is a great question as to whether that is a fair statement. In other words, if the old man had a steady job, the family would not be on relief, also it would not be an absolutely necessary thing for the Government to give all four of them work.

What we are trying to do is to get away from this everlasting dole business to keep people from starving. If we can give that man a definite job, his family is going to be taken off the relief rolls and that is why we have to start classifying them.

Q Would unemployed mean anybody unemployed or people on the relief rolls?

THE PRESIDENT: I am talking about people on the relief rolls.

Q Would that census include our territories and possessions?

THE PRESIDENT: I think -- we are checking on it now. We don't know exactly.

Q How long would it take to complete a job like that?

THE PRESIDENT: It means preparation, quite a lot of preparation.

Q But the actual census would be taken in a 24-hour period?

THE PRESIDENT: I don't know now about census-taking, but it has to be as of a date.

Q Have you any figures as to how many that would employ?

THE PRESIDENT: No.

Q Have you any figures as to the number of unemployed today on the relief rolls?

THE PRESIDENT: Hopkins has got that. I think he will give them to you.

(The Press Conference adjourned at 10.50 A. M.)

CONFIDENTIAL
Press Conference #197,
Executive Offices of the White House,
April 19, 1935, 4.05 P. M.

MR. DONALDSON: All in.

Q Mr. President, did you take up the New England textile situation at the Cabinet meeting?

THE PRESIDENT: Yes. I am appointing -- I have not written it down here -- I am appointing a committee consisting of the Secretary of State, the Secretary of Agriculture, the Secretary of Commerce and the Secretary of Labor to supervise the study and investigation of the whole situation relating to the cotton industry. These studies should include two main lines, first the emergency problem and secondly plans for the future. The matter of the emergency problem, the chief phases seem to be the following: There are four phases -- tell me if I am going too fast.

Q Much too fast.

THE PRESIDENT: First, the relationship of the processing tax to the present emergency and consideration as to whether there is some other way in which the processing tax can be levied with greater effectiveness and less disturbance to the industry.

Secondly, the wage differentials as between Northern and Southern operators.

Every child should be taught shorthand. (Laughter)

(The President was waiting for the Press to catch up.)

Third, whether imports are exercising an injurious effect on the immediate industrial situation and

Fourth, the prevailing price of raw cotton and its possible effect on domestic consumption.

To illustrate that last point, it was stated in the conferences that were held between these members of the Cabinet and the New England representatives, that many of the mills are piling up a large inventory of goods day after day because the retailers of goods are waiting to make substantial purchases with the hope that they can get them at lower prices.

Then on the second, the broad study, the long-time plan, there are among the subjects two, first an analysis of the physical conditions of plants to establish the degree of obsolescence and its effect on operating efficiency -- and this is the real meat in the coconut that I am telling you about now -- with a consideration of plans for establishing proper credit for needed or justified replacements in plants.

Secondly, a thorough analysis of foreign trade over a long-term period.

So that will start that Committee making this study and the appointment of that Committee meets with the approval of the entire Democratic New England delegation. There are the names.

Q That is the Congressional delegation?

THE PRESIDENT: Yes.

Q Will you send a reply to Congressman Connery?

THE PRESIDENT: Well, he was the first fellow that knew this.

Q He is the Chairman of the New England delegation.

THE PRESIDENT: What do you mean, will I send a reply to him?

Q Reply to his petition.

THE PRESIDENT: I suppose the announcement is a reply.

Q Have there been any exchanges or communications with the Japanese Government on this textile situation?

THE PRESIDENT: Not that I know of. The Acting Secretary of State did not

mention it. I don't think so.

Q Are you sending up a report --

THE PRESIDENT (interposing): I don't know. We are doing for the first time what should have been done about 1890. We are making an investigation on what they call "obsolescence".

Q A lot of that has accumulated.

THE PRESIDENT: Yes.

Q Can the RFC make loans for plant replacement or just for working capital?

THE PRESIDENT: I think they can make it for plant replacement.

Let me talk off the record for a minute on this cotton thing. As you know, I am somewhat slow to get upset, and I am not upset now, but what does a fellow do when he picks up papers and reads -- well, here is the story: "The following mills in New England, cotton mills, have closed", and then there is a list of 90 or 100. I did not count them, it was about four or five inches of mills that had closed. That list contained mills that closed as far back as 1923. The majority of those mills were closed before 1930. The majority of that list, mind you, and yet that list was put out with the deliberate intention of fooling the American people. Actually, the number of old spindles that were put out of use and mills closed started in 1923 and ran through to 1932 at a very heavy rate -- I am wrong, 1931. Most of the mills were closed before the 1929 panic. Now, those are simple facts. I can list a dozen names right now of mills I know inside and out that were closed in 1923, 1925, 1927 and 1929, and yet the public is being deliberately misled into believing that these mills have been closed in the last six weeks or six months or two years.

Actually, the closing of mills slowed down in 1931. Actually there were very, very few mills that closed between 1931 and 1933.

In 1933, a number of mills opened up again that had been closed for a long time and they ran pretty steadily until this time.

Now, of course, the actual fact is that in New England especially they have not taken care of the problem of obsolescence, and mill after mill has had to close because they had machinery which was not up to date. A very large proportion of Japanese production today is being made on spindles that were bought from closed New England mills. That is an interesting fact. They can afford to use older spindles in Japan for the very good reason that they do not pay the labor. Now they are trying to sell goods made on New England spindles back to this country.

At any rate, whether they are in official or private life, it is deliberate falsification of the record and you are getting it right straight along.

Q Can we use your later reference there as to the effect of obsolescence?

THE PRESIDENT: Yes.

Q It is an active factor?

THE PRESIDENT: Yes, an active factor, that is absolutely right.

And then, of course, there is another thing, again talking off the record, a thing that anybody who knows New England knows. There were fine old New England families that started cotton production in 1830 or 1840 or along there. The first generation was 100% and worked. They got out on the road and sold their own goods and kept things up to date. There must be at least a hundred families in New England with that kind of history. Then it came down to the second generation, and the second generation were pretty good too.

And then the third generation came along. They took very large salaries and bonuses and spent most of their time and money in Europe.

That is a fact. The original founders kept the mills going and kept them modernized. Did any of that third generation ever get on the road selling goods? Not on your life. They preferred Paris.

Now, that is half the story of all this New England trouble. I cannot say that on the record, but it is a fact. (Laughter)

Q Mr. Wallace said something like it.

THE PRESIDENT: Did he? He doesn't know anything about New England, I do. Half of me comes from there.

Q Do you have, also, a petition from Southern Senators asking for a cotton textile investigation, something along the same line?

THE PRESIDENT: I don't know; I haven't got it here.

Q The Congressional Record today carries a letter which says that 71 mills have closed since August employing 22,000 workers in New England and the South.

THE PRESIDENT: Yes, and the mills closed in the summer and Spring of 1934, too. They closed because there were so many, so much cotton goods on the shelves of the department stores and of Sears Roebuck and of everybody else that they were so overstocked that the only thing to do was to close down. In other words, the cotton industry is always either overproducing or closing down. That is the difficulty with the industry. As an industry it has been thoroughly dumb in its productive methods. That is off the record, too. (Laughter)

Q Mr. President, that Committee of the four Cabinet Officers is to study the whole cotton situation and not merely New England?

THE PRESIDENT: Oh, yes.

Q Is there any truth in the report that you are going to send a bonus message to Congress?

THE PRESIDENT: Not that I know of.

Q Are you going to send any oil message?

THE PRESIDENT: Not that I know of.

Q Is there anything going to be done to place regulation of all forms of transportation in the Interstate Commerce Commission?

THE PRESIDENT: Well, I have thought so. I think it ought to be. I think I stated that away back in 1932, in my Salt Lake City speech. I don't believe we can differentiate between different forms of transportation. It is much better to have a central body that will consider the relative problems of all forms of transportation. Of course, in seeking that, you run up against the special interests of individual types of transportation. A lot of the aviation people look rather askance at having the Interstate Commerce Commission, which knows more about railroads than about aviation, having anything to do with aviation. They would like to be regulated by aviation people.

The shipping people would not want to be regulated by aviation, they would want shipping people. But, after all, the subject is so coordinated -- water transportation, inland canals, things like that -- I don't believe it is the wrong theory or principle to have them all embodied in one body. They can see the relative merits better than if you have a whole lot of unrelated commissions.

Q The reason why I asked that question is because coordination seems to be apparent to everybody else except on the Hill where they are proposing a Maritime Authority and an Aviation Authority.

THE PRESIDENT: I know. Well, I don't think I have changed my thought of it.

Q Have you decided when you will send your transportation message?

THE PRESIDENT: Not any particular date. Some time, I suppose, in the next couple of weeks.

Q Has Secretary Hull submitted as yet the State Department report on neutrality?

THE PRESIDENT: No; I don't think he is going to. I don't know.

Q They were drawing up a report and they told us the other day that they might send it.

THE PRESIDENT: I don't know.

Q Any possibility of the processing tax with respect to cotton being extended to other commodities?

THE PRESIDENT: No, this just related to cotton textiles.

Q I wondered if on this other matter, you can lift the tax on one commodity?

THE PRESIDENT: You mean lifting the processing tax without imposing another tax? It is not a case of lifting, it is a case of getting a substitute, and if you get a substitute for one tax there will be a substitute for every tax, and you know how popular that will be.

Q Will you talk on the Copeland-Bland Ship Subsidy Bill?

THE PRESIDENT: I am not in a position to. I have got it in the basket.

Q On transportation again, if regulation should be centralized in the ICC, do you believe that statutory reorganization of the Commission would be necessary, or that the Commission could adapt itself?

THE PRESIDENT: That is a debatable question. I am not familiar enough with it. You had better check with Congressman Rayburn. He thinks the present statute is sufficiently broad to allow them to reorganize to take care of all methods of transportation. Other people think that legislative authority is needed to give them the right to reorganize.

Of course, that brings up a question which is not a frightfully important one but may take a week's debate in the Senate -- don't say that on the record -- as to whether it should be a smaller commission or a commission of the same size or a larger commission. That is a thing that the columnists could write columns about because personalities are involved. Actually it is of very, very small importance as to whether it is handled by six or eight people or eleven or fifteen people.

Q In view of this Georgia and Louisiana situation, have you anything to say about kicking politics out of relief?

THE PRESIDENT: No, except we will try to keep politics out of relief.

Q Did you discuss the Colt case?

THE PRESIDENT: Colt?

Q Colt.

THE PRESIDENT: Except the Secretary of Labor said that they were getting on well and hoped to get a settlement quickly.

Q Anything about work relief plans?

THE PRESIDENT: No, nothing at present.

MR. STORM: Thank you, Mr. President.

(The Press Conference adjourned at 4.15 P. M.)

CONFIDENTIAL
Press Conference #198,
Executive Offices of the White House,
April 24, 1935, 10.40 A. M.

Q (Mr. Storm) We came well equipped with paper and pencils today. Steve (Mr. Early) warned us last night.

THE PRESIDENT: We will get out the cigarettes and sit back and talk.

MR. DONALDSON: All in.

THE PRESIDENT: Well, what is the news?

Q That is what we want to know.

Q We heard that a new ambassador has been appointed.

THE PRESIDENT: Not to my knowledge.

Q There is a big piece in the Post (The Washington Post) yesterday that Mac (Mr. McIntyre) is ambassador to the cotton men without portfolio.

THE PRESIDENT (laughing): Well, knowing Mac, you know that he is going down to that party.

Q Mr. President, if you are not going to make any announcement about the relief bill, may I ask a question that may clear up something in our minds? What part are you personally going to play in the administration of this bill?

THE PRESIDENT: The best answer is to read the Constitution.

Q I haven't it with me.

THE PRESIDENT: In other words, don't believe fish stories. The Constitution says that I am the head of the Executive Branch of the Government. I suppose that answers it partly. I think the rest of the answer will come to you when I tell you the next step in the Works Relief program because it all ties in together. I think then you will see exactly where I fit in. I think you were told that there will be a series

of announcements. I am trying to make this orderly so that the public as a whole will understand what it is all about. Partly because of the debates in the Senate and House and partly because of the fool stories in the Press, there is a rather confused impression on the part of the public. It is a perfectly orderly procedure, the use of this four billion dollars. It is not five billion dollars it is just four billion dollars. As I have said before, the figure five keeps turning up.

The first step, announced yesterday, was the organizing of what might be called the "intake" bureau, an application bureau and information bureau, so that people will know where to go. As I said in last night's statement, that division of applications and information will receive not only the new projects that people have to suggest, but also a great many, several billion dollars worth of suggested Government projects brought in by different departments or suggested from the outside. I suppose the easiest way to do it is to bore you to death by reading to you a five-page list, which may not even be complete, of projects that may be constructed under authority of the Emergency Relief Appropriation Act of 1935. They fall into -- they are listed here -- about eight different headings. The first heading is highways. I think this appeared in the Congressional Record, although I am not certain, and if it has not there is no reason why it should not be mimeographed just for your guidance. It shows the wide variety of work that can be carried on. Let me read you two or three of these eight headings to give you an idea. Under "Highways, roads, streets and grade crossing elimination" you have the following potential activities:

"Acquisition of land, any interest therein, and

adjoining territory
Bridges, culverts, tunnels, and other crossings, etc.
Construction of routes to avoid congested areas
Express highways
Farm to market, feeder, and secondary roads
Grade crossing eliminations
Highways
Grading, landscaping and beautification
Parkways
Reconstruction of existing grade crossing structures
Repair, maintenance, widening, extension, improvement and relocation of highways, roads, streets, causeways, parkways, approaches and other traffic facilities
Roads"

that are not big enough to be classed as highways,

"Sidewalks, paths and gutters
Streets
Construction of facilities to mitigate existing hazards to pedestrian or vehicular traffic
Surveys and plans for projects under this general classification"

You see, there are all kinds of factors that come in there. Let's take for example -- well, somebody always asks about white collar workers.

Here is one subdivision, "Assistance for Educational, Professional and Clerical Persons."

Under that heading you have this:

"This general class is intended to give employment to large numbers of professional and clerical workers on the relief rolls, such as:
Art projects
Charts and graphs
Dramatics"

What is that new word that was invented?

Q Boondoggling.

THE PRESIDENT: That is right, boondoggling.

"Education work such as student aid, adult education, workers' education, literacy classes, nursery schools, vocational training and rehabilitation
Mapping
Nursing and other public health work
Orchestras

There is a chance for the White House Quartet.

"Planning work
Record keeping
Research and special surveys
Surveys of unemployment and population problems"

that is where your census comes in --

"Traffic studies."

And here is another classification:

"Loans or grants, or both, for projects of States, Territories, Possessions, including subdivisions and agencies thereof, municipalities, and the District of Columbia, and self-liquidating projects of public bodies thereof."

Those are non-federal projects.

"(To fall within this class, it is not necessary that the State, Territory, Possession, District of Columbia, the subdivision or agency thereof, or the public body contribute any monies in order to render the same as a non-federal project.)

"Airports
Auditoriums
Bridges
Canning of garden products and agricultural commodities"

that is to take care of people on the local relief rolls, in other words

the unemployables --

"Dams
Demolition
Drainage
Eradication and control of disease bearers, pests and poisonous plants
Flood control
Hospitals
Incinerators
Irrigation
Landscaping
Land acquisition
Levees
Malaria control
Markets
New construction or improvement or maintenance of public properties or publicly owned facilities
Park buildings
Playgrounds
Projects for the generation, production, transmission or distribution of electric energy in town and urban areas

Public buildings
Publicly owned utilities
Purchasing, processing and distribution of agricultural commodities or products thereof or of other commodities
Recreational facilities
Reservoirs
Sanitation
Schools
Self-help cooperatives
Sewerage systems
Sewerage disposal
Sewing rooms
Swimming pools
Terminal facilities
Warehouses
Water conservation
Water lines
Water works
Wells
Waterways and navigation aids
Any projects of a character heretofore constructed or carried on either directly by public authority or with public aid"

Now, I have only read to you three out of eight different headings but it gives you an idea of the tremendous scope of the program.

Q What are the chapter headings?

THE PRESIDENT: The first heading is "Highways, roads, streets and grade crossing elimination."

Q Any proposed major project would have to clear through Walker (Mr. Frank C. Walker) before finally coming through you?

THE PRESIDENT: They go in through him.

Q They must go through him before they come to you?

THE PRESIDENT: Of course eventually they come to me.

The second subdivision is:

"Rural rehabilitation and relief in stricken agricultural areas, and water conservation, trans-mountain water diversion and irrigation and reclamation"

Under that heading come, "Rural Rehabilitation," "Rural Industrial Communities," "Subsistence homesteads," "Relief in stricken agricultural areas," "Prosecution of work projects for destitute persons

in rural areas."

These are all subheadings -- I mean, there are four or five or ten under each one of these (headings).

The third heading is "Rural Electrification."

Q Does soil erosion come in the second one?

THE PRESIDENT: I am trying to find where it is. Yes.

Now, your third heading is "Rural Electrification," which has no subdivision because it is all one subject.

The fourth heading is "Housing." That is for low-cost housing in urban and rural areas. That includes reconditioning and remodeling.

The fifth heading is the white collar one that I have read -- "Assistance for Educational, Professional and Clerical Persons."

The sixth heading is "Civilian Conservation Corps," which has a lot of subheads under it. The reason I hesitated a moment on soil erosion, for example, is that it is really a question as to whether that does not partly belong under CCC, because the CCC boys will do a very large part of the soil erosion work although the objective of soil erosion falls under the other heading.

On the seventh (heading) "Loans or grants, or both," -- that is the one I read for political subdivisions.

The eighth (heading), which also includes soil erosion, the title of the eighth heading is "Sanitation, prevention of soil erosion, prevention of stream pollution, sea coast erosion," -- that is to keep your favorite beach from washing away during the winter time -- "reforestation, forestation, flood control, rivers and harbors and miscellaneous projects."

Well, that gives you an idea of the scope of the work.

Now, I am trying to take these up in an orderly way. Who does the

work? That, really, is the important part of this particular conference today, in my judgment. Who does the work? We checked on that and Steve (Mr. Early) has a mimeographed copy of this (indicating copy of release). It is, at least, a space-filler for you.

The Treasury Department -- I would not take all this down because Steve has this copied for you. In the Treasury Department the following agencies are involved -- regular agencies of the Government:

"Commissioner of Accounts and Deposits: Clerical help in handling works program disbursements."

Obviously, they have to have a lot of people to handle it in that bureau.

"Office of the Treasurer of the United States: Preparation of checks for paying all employees."

That takes a lot of people.

"Bureau of Customs: Clerical help for preservation of records."

That is a project.

"Bureau of Internal Revenue: Clerical help in connection with increasing tax collections."

That is a project.

"Bureau of Engraving and Printing: Printing checks for paying works program employees.

"Bureau of Public Health Service: Supervision of certain projects dealing with public health.

"The Coast Guard: Coast Guard stations and cutters.

"Procurement Division" --

because one of the very important factors in this is supervision of purchasing for a large proportion of all these jobs and also construction of public federal buildings.

"Bureau of the Budget: Supervision of administrative personnel and expenditures.

The War Department -- mind you, these are all existing agencies of the Government -- that is the point I am trying to make:

"Office of the Quartermaster General: Supervision of projects relating to new buildings, reconstruction of buildings and other improvements in military reservations, posts, forts, camps, cemeteries, or fortified areas.

"Office of the Chief of Engineers: Projects relating to rivers and harbors, flood control and other non-military operations now under the supervision of the Chief of Engineers.

"DEPARTMENT OF JUSTICE: Supervision of projects relating to federal prisons and to studies of parole and recidivism.

"DEPARTMENT OF THE NAVY: Projects for new buildings, reconstruction of buildings and other improvements in naval reservations, work at yards and docks, etc.

"DEPARTMENT OF THE INTERIOR:

"General Land Office: Clerical help for preservation of records in land office.

"Bureau of Indian Affairs: Projects on Indian Reservations

"Office of Education: Clerical assistance in connection with educational research.

"Geological Survey: Topographic maps.

"Bureau of Reclamation: Irrigation and reclamation projects.

"National Park Service: Projects for roads, fire lanes and other developments of national park areas.

"DEPARTMENT OF AGRICULTURE:

"Soil Erosion Service" --

that has to go on as we get these new areas developed.

"Office of Experiment Stations: Projects for buildings and grounds of agricultural experiment stations.

"Bureau of Agricultural Economics: Clerical help in connection with agricultural research.

"Bureau of Animal Industry: Projects relating to prevention of animal diseases.

"Bureau of Biological Survey: Wild life reservations and predatory animal and rodent control.

"Bureau of Dairy Industry: Projects relating to buildings and grounds of dairy research laboratories.

"Bureau of Entomology and Plant Quarantine: Projects for the control of insects and plant diseases.

"Forest Service: Projects relating to the development of the national forests.

"Bureau of Plant Industry: Projects relating to experimental work and buildings and grounds.

"Bureau of Public Roads: Highway projects.

"DEPARTMENT OF COMMERCE" --

I guess Danny (Secretary Roper) will get some money out of this before he is through --

"Bureau of Air Commerce: Airport projects.

"Bureau of the Census: Projects similar to those usually performed by the Bureau of the Census.

"Bureau of Foreign and Domestic Commerce: Projects relating to business surveys.

"Bureau of Fisheries: Projects relating to development of fish culture."

For instance, eradicating the oyster disease and things like that.

"Bureau of Lighthouses: Projects pertaining to light-house establishments.

"DEPARTMENT OF LABOR:

"Bureau of Labor Statistics: Statistical projects relating to labor, employment, and prices.

"United States Employment Service: Assistance in placing employees under the works program."

That is a very important factor.

Then you come to a whole lot of other divisions of the Government, all more or less connected.

"UNITED STATES EMPLOYEES' COMPENSATION COMMISSION: Pay-

ment of compensation claims to injured employees under program.

"FEDERAL POWER COMMISSION: Research projects dealing with power.

"VETERANS' ADMINISTRATION: Projects relating to Veterans' hospitals.

"TENNESSEE VALLEY AUTHORITY: Projects relating to the program of the Tennessee Valley Authority.

"FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS: Projects involving loans to States, municipalities or subdivisions thereof.

"FEDERAL EMERGENCY RELIEF ADMINISTRATION: Relief problems

"EMERGENCY CONSERVATION WORK: Conduct of the Civilian Conservation Corps."

Now, right there you will see at once that there are -- I have not counted them up -- about fifty or sixty probable agencies of the Government who are going to carry on this work. So the great bulk of the work will be carried on by existing agencies.

Q What does housing come under?

THE PRESIDENT: I am coming to that in a minute.

Now, we have gone over that first list of possible projects I read and we have gone over the second list, showing the existing Government agencies that are capable of carrying on the work and what do we find? We find that with three exceptions in all this enormous list -- in only three cases do we need to set up new agencies. Now, that is a very interesting thing.

Well, put it this way: I suppose there are on that first list, I suppose there are 200 classifications of work and all but three of them can be done by existing Government agencies. Now, what are the three that we have to set up, the new agencies? The first is to take care of the new problem of grade crossings. Now, the Highway Bureau

in the Department of Agriculture has always left the grade crossings entirely to the states. As a matter of fact, we have not been providing federal money for grade crossings. They have only been handled by some of the states, and not even all of the states, so the general thought is that at the present time we will set up a Grade Crossing Elimination Division in the Bureau of Highways of the Department of Agriculture.

The second of the three relates to the problem of rural resettlement. As you know, we have had three or four different agencies working during the past year, very largely on an experimental basis on rural housing. Well, of course, rural housing falls into a great many different categories and different departments have experimented with the different categories and sometimes they have -- you will find two departments going along the same type of work. Therefore, I am going to call it Rural Resettlement. That involves running it down the scale -- the individual family who is in an impossible location at the present time, from the point of view of making both ends meet, resettling him on a place where he can make both ends meet -- that is the individual case. Then you come down to the next case, which is the resettlement of a group of people who want to move out of a location and go somewhere else. Well, a very good example of that is the families up in the Northwest who flocked in and begged to be allowed to go up to Alaska and start life anew in Alaska. Then, the third example is the case of the -- I have forgotten the technical term for it, the broken-down community where all the industries have left -- what is the word for it?

Q Stranded communities.

THE PRESIDENT: Yes, stranded communities. We will move them to a better

place where they will be able to do a certain amount of farming and at the same time do a certain amount of industrial work to make both ends meet.

Then, the fourth type is what we call the satellite city -- in other words, where you have a serious slum condition in the city and, instead of moving them out of the slums but keeping them in the city, a lot of them would like to go outside the city and start a new community where they will have a certain amount of land, enough for a garden. They would not be farmers but at the same time they would have industries so that it would be a small city in itself. Now, all of that, the actual work, lies outside of cities and therefore comes under the general term of rural resettlement, and I am setting up a new division to take care of that. That will be headed by the Under Secretary of Agriculture, Mr. Tugwell.

Q Pardon me, will Mr. Tugwell take care of all rural resettlement?

THE PRESIDENT: Yes, all rural resettlement, except that there is one exception in there, which is a matter to be worked out with relief. It is the case of the man who needs to be restarted where he is now. In other words, a small loan, a cow and a few pigs and a few chickens and a few tools and maybe a mule would get that fellow started again in the same place he is now. We have not decided yet whether that remains under what is left of the Relief Administration or whether it will go in this new division, but that is a very small thing.

Q I understand that this new division will take over the existing Subsistence Homestead and all other agencies?

THE PRESIDENT: Yes; it has been too scattered, as you know. Subsistence Homesteads have been doing it, [FERA ?] has been doing it, AAA has had something to do with it and there have been altogether too many agencies.

We put them in one place.

Q Would that be a new division in the Agricultural Department?

THE PRESIDENT: No, just a new division. I do not know where it will be.

Q Will Tugwell continue as Under Secretary of Agriculture?

THE PRESIDENT: Oh, yes. Then, No. 3 --

Q (interposing) That new division would remain under the jurisdiction of the Department of Agriculture, would it not?

THE PRESIDENT: Well, yes and no. In other words, it will be under Tugwell. He will be responsible and the Secretary of Agriculture won't. It is to be his child.

Q Will this require confirmation by the Senate?

THE PRESIDENT: No. (Laughter)

Q Are we to understand that the taking care of the white collar people will bring a great many into the existing agencies of the Government and that they must be expanded to do all this work?

THE PRESIDENT: In other words, is the Government pay roll going to go up enormously?

Q Yes, that is it.

THE PRESIDENT: No, the Government pay roll is not going to go up, unless you say that every man that is paid out of this four billion dollars is a Government employee, which is not quite fair. In other words, if you want to build a sewer and you put a thousand men to work digging the sewer -- now, they are manual laborers, but you have to have somebody who will keep the accounts and do the clerical work. We take that person off the relief rolls and they are just as much a part of the relief job as the fellows actually digging the ditch. In other words, we are not going to increase the Government pay roll.

Q There will be an increase in the administrative pay roll, will there not?

THE PRESIDENT: Well, that is a part of relief.

Q They will get their money from the appropriations?

THE PRESIDENT: Nearly all, with very few exceptions, would be people off relief.

Q The Treasurer of the United States, for example, would have to have new people to handle checks?

Q They will be additions to the present pay roll?

THE PRESIDENT: No, they will not. That is exactly the point. They should not be considered as part of the permanent pay roll of the Government. They are part of this four billion dollars.

Q They are a project?

THE PRESIDENT: And as soon as the project is done, they go too.

Q Approximately what proportion of the fund will be allotted Mr. Tugwell?

THE PRESIDENT: Oh, I have no idea, but very, very small. It is very small.

Q Will he participate in the other rural rehabilitation projects?

THE PRESIDENT: They are all in this. What do you mean? What other?

Q Like soil erosion?

THE PRESIDENT: No, that is not rural rehabilitation.

Q He won't have anything to do with that?

THE PRESIDENT: No.

And the third is very much needed, a new division in charge of the program of rural electrification. The Government has never done anything like that before and I have not made up my mind as to who will head it. Probably it will be a separate division, not under any department.

Q Will that be like the TVA?

THE PRESIDENT: No, because TVA is a permanent agency of the Government. This is purely an educational thing.

Q That won't fit in the Federal Power Commission?

THE PRESIDENT: No. This is to put people to work. The Federal Power Commission is a quasi-judicial body.

Q Have you made up your mind who will head the Grade Crossing Elimination?

THE PRESIDENT: I do not know yet.

Q Who have you in mind for this Rural Electrification?

THE PRESIDENT: I have not talked to anybody about it. I have nobody in mind as yet.

Q On your Grade Crossing Division, it will work under MacDonald of the Bureau of Public Roads?

THE PRESIDENT: Yes, it will be a division under MacDonald.

So, you see, those are the only three divisions created, the Rural Electrification, the Rural Resettlement and Grade Crossings.

Q Will low-cost housing remain under Secretary Ickes?

THE PRESIDENT: It will remain under Hackett.

Q And Moffett's setup will contimue as it has been, except for a change?

THE PRESIDENT: Moffett's setup?

Q Yes.

THE PRESIDENT: That hasn't anything to do with this -- that is a financial setup.

Q What part does the President of the United States play in this thing?

THE PRESIDENT: Exactly the part that I played in the $3,300,000,000.

Q As President of the United States?

THE PRESIDENT: Yes. (Laughter)

Q Mr. President, what happens to the FERA and Mr. Hopkins under this?

THE PRESIDENT: The FERA, of course, goes on in certain functions, such, for instance, as taking care of the employables in communities where, after this program is going, we are not able to take care of all the

employables.

Q He still remains in charge of whatever relief there is?

THE PRESIDENT: Yes and, of course, relief, as such, is tapering off. The non-dole end of relief is being transferred to this program.

Q There will be no work relief in the FERA? That is, the work projects will be taken up by separate agencies?

THE PRESIDENT: Well, there are certain things that may come up -- that may be taken up. For example, we have 100,000 women today who are on work relief making mattresses and doing all kinds of sewing. They are making cotton clothes for the destitute and sheets and things of that kind, edging blankets, and these 100,000 women are being run by one of the divisions in FERA at the present time. Probably we have to look after these 100,000 women until they get private work and we will probably continue that division, because they have been handling it in a satisfactory way, rather than transfer them to some new agency. There are a few things like that that may be kept going.

Q Will Mr. Hopkins' division become relatively less important by next November?

THE PRESIDENT: Oh, wait until you see tomorrow's and the next day's statement.

Q The Soil Erosion Service being transferred from Interior to Agriculture -- won't Tugwell handle that part of soil erosion?

THE PRESIDENT: Only the fact that he is Under Secretary of Agriculture. It does not come under this Division of Rural Resettlement.

Q What becomes of slum clearance?

THE PRESIDENT: That stays where it is, under Mr. Hackett.

Q PWA?

THE PRESIDENT: Under Hackett.

Q The white collar workers who are added to the regular establishment because of expanding activities -- what wages will they receive? Will they be comparable to those who are doing similar work there now?

THE PRESIDENT: I do not know; I have not thought about it at all.

Q What becomes of the Public Works Administration under this new setup?

THE PRESIDENT: They continue exactly what they are doing now. In other words, the City of Louisville puts in a request for a sewer and they say, "We can pay for it at such and such a rate of interest over such and such a number of years." And that goes right where it goes today.

Q The only thing there being Subsistence Homesteads?

THE PRESIDENT: Yes.

Q Does that go through Walker first?

THE PRESIDENT: Yes, it all clears through there, and they are to be lined up by areas.

Well, a very good example was -- I won't mention any names -- somebody came in the other day with a project for a perfectly good dam, flood control, irrigation, et cetera, a project that cost $36,000,000. Well, the first objection was that it would take three years to build it, so that that violates one of the canons right away. We cannot give $36,000,000 because that would tie up two-thirds of it, $24,000,000 into the next year. What we are trying to do is to put people to work. And the second thing it violated was that there are not enough unemployed to spend the $12,000,000 in that one year.

Q Under that premise, do you eliminate this proposed cross-Florida ship canal?

THE PRESIDENT: I do not know; we have not studied it from that point of view yet. That is one of the things we are going to do.

Q How do you go about shifting men from relief rolls to jobs? Who will that clear through?

THE PRESIDENT: To private jobs?

Q To jobs under this program?

THE PRESIDENT: That originates from present relief rolls under FERA and, of course, they are combing them pretty carefully and eliminating a lot of names that have no right to be on the relief rolls. Once we get what might be called a certified relief roll -- take any given area, the District of Columbia: we have a certified relief roll and the District Commissioners have two approved projects and the Federal Government has another two approved projects in the District of Columbia. Both of them go to somebody that we set up here who will be in charge of that relief roll, and both the District people who are doing the project and the Federal people who are doing the project go to him and say, "I want so many men of such and such a type" and the man in charge of the certified relief roll provides the men to the project within the area.

Q This certified relief roll, are you going to get that as the result of the census or something of that sort?

THE PRESIDENT: Well, they are practically completed now. They will be all done by the summertime.

Q Are you ready to go just as soon as you get your organization set up?

THE PRESIDENT: Ready to go, except, of course, it would not be correct to say that everybody will be at work next Monday morning.

Q But, I mean, the projects are approved?

THE PRESIDENT: Oh yes.

Q Do you care to give any hint as to their nature?

THE PRESIDENT: Not yet. You know certain things from the bill as it passed. You know, for example, that $600,000,000 was earmarked for

CCC. Well, it is a good case. You know, also, that the Public Works Administration has got applications in -- I think Secretary Ickes announced that several times -- for over a billion dollars of projects that have been studied. Well, now, there are two pretty good-sized items right there.

Q Will you expect the municipalities to put up something in connection with urban improvements, like grade crossings, et cetera?

THE PRESIDENT: Grade crossings?

Q Inside the cities, to build them at public expense?

THE PRESIDENT: Yes, unless, of course, the city wants to go further than we do on a given grade crossing.

Q Do you contemplate any change in the percentage of rate on grants and loans in PWA, from 30-70 perhaps to 50-50, or anything of that kind?

THE PRESIDENT: No, we have not worked it out. It depends so much on the case itself. It probably is a sounder thing in the long run to make it a straight loan of a hundred per cent, without any grant, and then reduce the interest all we possibly can and extend the time of payment -- in the long run.

Q There had been a proposition in the past to make it a straight matching proposition?

THE PRESIDENT: No.

Q Care to comment on the anti-lynching bill?

THE PRESIDENT: No.

Q How many people may be affected by this rural resettlement proposition of Tugwell?

THE PRESIDENT: How many people? You are a little bit early. Ask me in about a month.

Q Using the certified relief rolls, will there be any political inter-

ference in relief?

THE PRESIDENT: I hope to goodness there will not be.

Q Can you tell us whether the Railroad Coordinator's Office will be extended after June sixteenth? It expires then.

THE PRESIDENT: Does it expire on the sixteenth of June? I will have to check on it.

Q I will take my lunch into the phone booth. (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #199,
Executive Offices of the White House,
April 26, 1935, 4.00 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: You have all got the last installment of the serial.

Does anybody want to ask any questions about anything that is not clear?

Q Mr. President, will you talk to us a little bit about the relative positions of importance and otherwise of the three units, the Walker unit, the Ickes unit and the Hopkins unit? As I understand it, the three are on the line.

THE PRESIDENT: Yes. In other words, the Einstein theory does not apply. There is no relativity. (Laughter)

Q In connection with that question, several newspapers would like to print diagrams, if possible, like along the line of genealogical charts. Can you help us with that?

THE PRESIDENT: I think so. I thought a little bit about preparing a diagram myself. I suppose I have written out on paper, in longhand, about fifty or eighty different diagrams in the past six months. I have not prepared anything. I don't know if it is physically possible to talk a diagram without a blackboard, but I will try it.

Q We will appreciate it.

THE PRESIDENT: If I were doing it I would take a piece of paper and at the bottom of the piece of paper I would put somewhere around fifty or sixty little circles, all on a line. Now you have on the bottom of the piece of paper a line of fifty or sixty little circles. Each one of those little circles, all except three, each one of them is an old circle. Remember that. There are only three new circles. Each

one of those fifty or sixty circles represents an existing Government administrative agency for actually carrying on the work, certain types of work, of those classifications I gave you the other day, 280 or 300 of them. All of those 280 or 300 classifications fit into one or more of those fifty or sixty little circles at the bottom of the page.

Then, about halfway up the page you will put three big circles, and the one on the left-hand side -- because this thing marches from left to right on the picture -- that is the easiest way of putting it. (Laughter)

Q Anything symbolic? (Laughter)

THE PRESIDENT: And the further right you go the redder it is. (Laughter)

Now, that is awfully confusing, isn't it? It is perfectly true, though. (Laughter)

Now these three big circles, taking the one on the left of the page, into that circle there goes recommendations for projects that may originate in some of these sixty little circles at the bottom. In other words, some existing Government agency may have a project. Well, for example, the CCC is a little circle at the bottom. No Congressman, Mayor or anybody else originates these CCC projects. They originate in the CCC organization and they bring up the projects to the big circle on the left-hand side.

Also, there feeds into that circle on the left-hand side, which is Walker's organization, projects coming from the outside. Now, they may come from individuals with a happy thought or they may come from Government organizations, like states or cities or Congressmen. I don't know whether you would call a Congressman a government organization, but I think that is all right.

So, into the Walker circle, the division of applications and information, go all these projects. The ones that come from the outside, in almost every case, have to be referred down to one of the sixty circles at the bottom for study and information, and then they go back to the Walker circle after that is done. The ones that originate down in the sixty circles at the bottom will probably go up to the Walker circle with full information and, therefore, won't have to be referred back for study and information, engineering, et cetera.

Then, out of the big circle on the left-hand side come a series of envelopes. Each regional unemployment area gets an envelope and into that envelope go all local projects within that unemployment area. And then, of course, there will have to be another envelope for what might be called general projects. Well, again, the CCC Camp is a general project because it takes people from every community in the country and spreads them all over the country.

These things go into the second circle of which Mr. Ickes is Chairman and they sift them in accordance with certain necessary rules. I have told you about those rules beforehand in regard to the projects, whether the individual project has enough direct labor in it, whether it will be finished within a reasonable time, which ones are self-liquidating and which are not, and so forth and so on, and whether, in the given area, all of the suggested projects will take up all of the slack. That is to say, whether it will take everybody or reasonably everybody off the relief rolls. That second circle I call the round table conference because the idea of making it large is that the little fellow has a right to be heard and it will enable us to be fair to the little projects as well as the big projects.

From there we will go up the page, to me, right above. I will receive the recommendations for allotments, and then, when I make up my mind on the allotments, I approve a certain list. I may change the list, you cannot tell, but of course in most cases the Allotment Board -- not every case by any means -- but the Allotment Board list as a general proposition, having been carefully studied, the great majority of them I will approve because they will be in accordance with the general objective.

Q Will they have been approved and recommended by Ickes' group when they reach you?

THE PRESIDENT: Yes. Then, when I have made up my mind and make the allotment in accordance with the law -- the law says I have got to do the allocating -- where does that approval of mine go? It goes two ways. First, down to the sixty circles at the bottom. That means, to the sixty circles at the bottom, "Here is your project, it has been approved. The allotment has been made. Get busy and carry it out." They are the people who do the work. That is authority for them to proceed with the work. At the same time, a copy of that list of allotments goes over to the big circle on the right, the third big circle, which is Hopkins' circle. Thereby he is informed that these projects have been sent to these various bureaus.

Then he has under him certain machinery which I outlined in the statement today.

The Bureau down at the bottom of the page, concerned with a given project, wants to buy a lot of cement for the project. It goes to the Procurement Office. Like all the other sixty bureaus, it says, "I want so much cement for this job." The Procurement Division lumps all of this cement and then tries to get a reduced price on the

cement because of the volume. In other words, it is just practically what it does today on a much smaller scale.

At the same time, the circle at the bottom says to the division in the Hopkins circle, that has to do with the names of people who are employable on the rolls, "This particular project is in unemployment area number 57. Please give us the list of the unemployed in that area so that when we start the job we will get people to work from that list." Then the representative of the U. S. Employment Service is notified and when these people in the unemployment area actually go to work, the U. S. Employment Service man, who is in touch with all the private employers in that district, says to them, "If you need people and cannot get them for your private work, you can come to the U. S. Employment Service and we will certify the people to you who are now engaged on a Government project."

Then, finally, every one of these lower circles, the sixty circles, will report very frequently to the progress division on whether the job that has been assigned to them is proceeding in accordance with schedule because every project that comes up through the allotment division to me will have attached to it a schedule of the speed with which they propose to employ people and the number of people that they propose to employ, month by month, on each job. The Progress Division will have a copy of that and the fellow at the bottom, in charge of the carrying out of the work, will report every week or every month, depending on the particular job, to the Progress Division as to whether he is living up to his proposed schedule and, of course, if he is not living up to it, he has to explain why.

Q Does that apply also to state projects?

THE PRESIDENT: You mean projects we are making loans on?

Q Yes, sir.

THE PRESIDENT: It does, to this extent. If we loan ten million dollars to the City of New York in accordance with the schedule of employment that they have filed with us, which shows that they are going to put so many people to work on the first of September and so many on the first of October and so many on the first of November, and so on through, we will make a loan to them for that sewage disposal plant and they have to report to us. If they fall behind on that schedule, we make that fact public, with their explanation if you like. That is the fault of the local subdivision in the same way that it would be the fault of the local Federal agency, unless they have a perfectly good explanation.

Q Would you require such a schedule as a pre-requisite for making a state or municipal loan?

THE PRESIDENT: Oh, yes. In other words, that is the only way we can find out as to the probability of the money being spent inside of a year or fourteen months.

Q Will there be any forfeiture condition in the loans in case a municipality falls far behind its schedule?

THE PRESIDENT: I don't know, Charlie (Mr. Hurd).

Q That will be a little difficult to work out.

THE PRESIDENT: Probably it will work out a little bit the way it has worked out already in PWA. They have had a number of cases where moneys have been allotted to municipalities and the municipalities have done nothing about it, and then we have cancelled the allocation. In other words, it is a case of rescinding.

Q Mr. President, what will be the first point at which we can get news on

specific projects?

THE PRESIDENT: News will come -- I think the easiest way is for the news to come through the Information Division of Walker. Now, of course, here is something I want to say off the record. It will be a perfectly easy thing, especially in the allocating period, to go around to some one of these sixty agencies of the Government to get a perfectly grand story of somebody that wanted one hundred million dollars and only got ten million dollars. He will consider that he was much more entitled to one hundred million dollars than somebody else in the Government. You may be able to get that sort of story from somebody in Washington who has possibly been down here for many years in a subordinate position. You can get lots of fellows to give you stories of conflict and friction between the separate departments. Each one, you know, would like to build up and it is a grand opportunity to build up his department, even at the expense of the one next door. You will have plenty of opportunities to write that kind of a story, if you want to.

I don't think those stories amount to very much because, after all, it is only human that they should try to do that if it is going to help them. In the long run, when these allocations are made, they are not going to be foolproof, but at least they will represent the judgment of a good many people and we are going to do the best we can.

Q Are you able to estimate about how long it will be before you put these projects actually in operation?

THE PRESIDENT: You can't write that one. It is physically impossible.

A simple example is this: The CCC Camps are beginning, I think, on the 15th of May to start certain construction work for new camps. They may get some new camps ready for occupancy by the 15th of June.

We are taking that figure out of the air. Another project that requires more engineering and more materials on the job may not put any workmen to work until July. There are still others that require more engineering or materials or planning or the purchase of land, for example, where you may not get people on the job until Fall. There is no fixed date. We are going to do it with reasonable speed. That is the only promise I can give.

Q Ickes has told us from time to time, particularly in those periods when he has had no money to distribute, that they have processed about a hundred million dollars worth of projects. Will it be necessary for those projects to be referred to Walker?

THE PRESIDENT: Yes, for this reason, because they have been processed under the old method where we did not ask for a schedule of the number of people who could be put to work and the dates when they will go to work. Of course they have been passed on for usefulness and they won't have to do that again. The only thing they will have to check on is how many people will go to work and when.

Q These old projects have been requested on the basis of 70-30?

THE PRESIDENT: Yes.

Q What becomes of that proposition? Do I understand you won't have grants?

THE PRESIDENT: It is much better to avoid grants if we can possibly do it. A good many will be willing to go through with it. We can extend the time of payment and reduce the rate of interest so that the annual out-of-pocket to the city will be the same thing as under the 70-30 plan.

Q Have you finished your chart?

THE PRESIDENT: I think so. The easiest way to put it is with the sixty circles at the bottom and the three half-way up the page.

Q Is Mr. Tugwell among the sixty?

THE PRESIDENT: Yes.

Q Did you deal with the Tugwell circle?

THE PRESIDENT: He is one of the sixty. Of course, some of those down among the sixty will spend an awful lot of money. For instance, CCC, as you all know, will spend well over six hundred million dollars and yet that is one of the sixty.

Q Mr. President, to get to another topic: I understand that Senator Harrison told his Committee that a majority favors an extension of NRA in its present form until March first next because they feel that a majority of the legal cases should be disposed of first.

THE PRESIDENT: I don't know about it.

Q Has the application of this Public Works Bill to the Islands been straightened out?

THE PRESIDENT: Mr. Gruening thinks it has, but I told him to try to check with, I think it was the Attorney General -- oh, I know, the Comptroller General.

Q The Act says, "the states and territories and possessions". Is the question that has to be looked up, does that involve the way in which it can be done most effectively and with least waste, and so forth, or what is the question?

THE PRESIDENT: Of course we want it to apply to Puerto Rico and the Virgin Islands and Hawaii and so on, and all I know is that Gruening thinks it does and I told him to make sure and see General McCarl.

Q Can you tell us anything about regional organizations?

THE PRESIDENT: On this set-up?

Q Yes.

THE PRESIDENT: No, except that of course we will probably have, in some

cases, employment areas and in some cases states. For example, probably a state like Nevada that has fewer people in it than Dutchess County, New York, would be handled on a state-wide basis, but in each either state or unemployment area there will be some Federal person who will act as coordinator of the various jobs being done in the particular district.

Q They won't administer the work?

THE PRESIDENT: No.

Q Will those individuals be under Hopkins?

THE PRESIDENT: Yes. He is the progress man. You see?

Q Have the boundaries of any of these districts been worked out?

THE PRESIDENT: Practically, nearly all of them.

Q Is it likely that an unemployment area will be less than a state?

THE PRESIDENT: Oh, heavens, yes.

Q There will be several unemployment areas within a state?

THE PRESIDENT: Yes.

Q How many unemployment areas will there be?

THE PRESIDENT: I don't know. I haven't seen a map for a month. You take New York City. That is within the State of New York. It will probably include New York City and maybe Nassau and maybe Suffolk and maybe Westchester Counties. There is an example.

Q Will Walker's outfit have that map when it is ready to give out?

THE PRESIDENT: Yes.

Q How will Hopkins determine the amount of security wages to be given in each area?

THE PRESIDENT: I don't know; that is his job.

Q Do you expect there will be a great deal out of this conference tonight?

THE PRESIDENT: What?

Q Out of this work relief conference tonight?

THE PRESIDENT: Oh, we will talk over what we have talked over here today.

Q Do you care to comment on the price of silver or the future course of the silver buying program?

THE PRESIDENT: You will have to ask the Treasury and I don't believe they will tell you. (Laughter)

Q How about projects such as housing? Will they be considered on the time limitation basis?

THE PRESIDENT: Yes.

Q In other words, you won't want to build houses that will take more than a year to construct?

THE PRESIDENT: All done by next Summer, if I can.

Q Jesse Jones told us this morning that he talked generally about railroad loans. I wonder if you could add anything to that?

THE PRESIDENT: Jesse was in for half an hour this morning and never mentioned them. (Laughter)

Q Who will be actually doing the employment among those who will come within the sixty circles?

THE PRESIDENT: They will not be employing people but will be taking them off the relief rolls.

Q In the event that McCarl rules that the territories are included, will the applications follow the same rule?

THE PRESIDENT: Just like a state; exactly like a state.

Q Richberg told the Munitions Committee that the Justice Department and the Labor Board did not hold the Company as being in violation of 7-A and therefore won't prosecute.

THE PRESIDENT: That's beyond me. I used to be a lawyer but I am not any more.

Q Will the states have to get their material, like cement, from the Procurement Division?

THE PRESIDENT: No, they won't have to get it from them. If a state can get its cement for highways at a dollar sixty-five, naturally we are going to kick if they pay $2.10.

(The Press Conference adjourned at 4.15 P. M.)

CONFIDENTIAL
Press Conference #200,
Executive Offices of the White House,
May 1, 1935, 10.47 A. M.

THE PRESIDENT: Hello, Count (Rudolph de Zapp), glad to see you back.

Q (Mr. de Zapp) Glad to see you, Mr. President.

THE PRESIDENT: A great burden has been lifted from his shoulders (referring to Mr. Stephenson who had just retired as president of the White House Correspondents' Association).

Q He is normal again.

THE PRESIDENT: Perfectly normal again. He looks at least an inch taller.

Q (Mr. Stephenson) I got the weight off.

MR. DONALDSON: All in.

THE PRESIDENT: I don't believe there is any particular news. There were three Executive Orders signed yesterday setting up the Resettlement Administration. Steve (Mr. Early) will give you copies of them. I do not think there is anything else in particular.

Q Mr. President, can you clear up the confusion as to what you told the Senators yesterday on NRA?

THE PRESIDENT: No. (Laughter) You had better ask them.

Q They told us different stories.

THE PRESIDENT: So I gathered from the papers. It depends on who you saw.

Q Mr. President, I have been asked to inquire whether you favor the Guffey Coal Bill?

THE PRESIDENT: I haven't said anything about it.

Q Under that bill there seems to be some question of allocation of production. Would you favor that being done by a commission?

THE PRESIDENT: Well, that is a very, very broad subject. In other words

if you will go back and take, for instance, the message to Congress in regard to retaining competition and absolutely free production, I did make an exception for certain utilities, and coal was one.

Under the NRA methods the coal industry during the past year and a half has, so far as I know, for the first time in history been fairly well stabilized and production and consumption are running approximately even. Now, there are lots of schools of thought as to how that should be continued but the objective is perfectly clear. It makes for steady employment, it makes for fairly steady prices and at the same time it does not waste natural resources. All I can say is that that is the objective and we want to keep after that.

Q Mr. President, will you comment on the ship subsidy bill?

THE PRESIDENT: What has happened to that?

Q You said you were unfamiliar with it before.

THE PRESIDENT: I have not had a chance to go into that.

Q Any Message to the Congress on transportation, Mr. President?

THE PRESIDENT: Soon; I do not know whether it will be this week -- probably next week.

Q Have you anything to add to what you told Governor Horner of Illinois yesterday as regards Federal funds during this legislative tangle they are having out there?

THE PRESIDENT: No, except that I realized what he was up against and I hoped he would get his legislation through.

Q Various Federal relief funds are being held pending --

THE PRESIDENT (interposing) Whose?

Q Missouri. Have you any comment?

THE PRESIDENT: I did not know that.

Q (They are being held) for the same reason. Will there be a complete stoppage of relief funds until the legislature acts?

THE PRESIDENT: I do not know; never heard about it.

Q Have you an appointment, sir, with anybody from Missouri to discuss that?

THE PRESIDENT: No, nobody at all.

Q Can you give us any idea as to what is going to happen to cities which have constitutional debt limits and which are hampered from borrowing under the PWA for that reason? Where will they fit in under the new program?

THE PRESIDENT: Almost all of those cities have maturing obligations where they have set up sinking funds so that each year, where the city reaches its debt limit, it pays off a certain portion of its debt and that gives to the city an opportunity of borrowing an equivalent sum. Furthermore, most cities are going up slightly each year in their taxable values, so that adds to the sum also.

Q In Detroit, they issued bonds up to the limit under the old assessments and then they cut the assessments about a third because of the great drop in values and they are away over their limit. There was a report that perhaps the Government might loan them money, which would be a loan on future taxes. Is that true?

THE PRESIDENT: It depends entirely on the individual case. You cannot make a hard and fast rule on that. Incidentally, the back taxes in Detroit are coming along very well. They are being paid up pretty well all the time. So, their financial picture, instead of being almost hopeless as it was a year and a half ago, has got so much into the sound field of finance that they can borrow money at a reasonable rate.

I am not worried about financing now; I was, very much.

Q There seems to be some misunderstanding between the people who talked to you and Mr. Ickes about your policy of spending money on projects to be completed in a year. Is that a hard and fast rule or a general objective?

THE PRESIDENT: It is a general objective and is a hard and fast rule so far as the initial allocation goes. Of course, as I said before, we are all human and we will make the allocation on the statement of the local people and the experts that it can be done in that time.

Q How does that apply to the projects that normally take two or three years? Where they could spend ten or twenty million dollars in a year, will that qualify the expenditure so far as that twenty million dollars is concerned?

THE PRESIDENT: Yes. If a municipality wants to put in a sewer that takes three years to build, and they come to us for an allocation for one year, I think we will probably give it to them on the understanding that there is no obligation to give them the balance of the money. If they want to take a chance on it, it is different, but there is no obligation on the part of the Federal Government to put up the following year's money.

Q Have you selected anyone to head the Rural Electrification program yet?

THE PRESIDENT: No, I have talked to Morris Cooke about it and he had planned to go abroad but I have asked him either to stay here, if he can -- I hope he will stay here -- but if his personal plans are such that he cannot, I am asking him between now and the time he goes abroad, to set it up for me.

Q Any progress on the neutrality program?

THE PRESIDENT: I have not heard about it for a couple of weeks, not since the Nye Committee was down here about two weeks ago.

Q Are you going down to Chancellorsville?

THE PRESIDENT: No, I cannot go; I have to stay here; I am too busy; I wish I could.

CONFIDENTIAL
Press Conference #201,
Executive Offices of the White House,
May 3, 1935, 4.12 P. M.

THE PRESIDENT: I hope everybody in the front row, when they ask a question, will talk right out loud because people in the back nearly always fail to get the question. I think they can generally hear me; if you cannot in the back row, sing out and I will talk louder.

Q Mr. President, ask them in the back row to do the same thing.

THE PRESIDENT: Louder -- what did you say?

Q Ask them in the back row to do the same thing.

THE PRESIDENT: Those in the back row are requested by the front row to do the same thing.

Q May I ask what you told the bankers?

THE PRESIDENT: Which bankers?

Q The group in today?

THE PRESIDENT: The Executive Committee of the American Bankers' Association. Oh, we talked about various details of the banking bill. I think they are pretty thoroughly agreed on the objectives and the purposes -- just some question as to the details of language.

Q Mr. President, the National Business and Advisory Planning Council was here yesterday. I understand that you had something to say to them. Would you mind telling us something about that statement, if you made one?

THE PRESIDENT: I made a speech and my one regret is that there wasn't anyone to take it down because it was a darn good speech, on the spur of the moment.

I told them a lot of things, went back into history, and I think

that nearly all of them agreed -- use this as background, of course -- nearly all of them agreed with the fundamental principles that we were both talking about. I told them that, for example, going back just in my own personal experience, I felt that in altogether too many cases so-called organizations of business men were very misrepresentative of a very large number of business men or, to put it another way, that business thought has very often been diametrically opposed to the corporate expression of that thought through some kind of an organization.

I told them from my own experience, of certain cases that I had run up against. For example, the first year I went up to Albany there was a very bad fire in New York called the Triangle Fire. Some of you older people will remember it. They burned up 150 or 200 girls that were working in a garment factory, the Triangle Building. They could not get out because the doors leading to the fire-escapes were locked. There was started in the Legislature a committee of inquiry of which Bob Wagner was chairman and there was a very young, not very experienced young woman who acted, I think, as secretary of that committee to investigate factory conditions. Her name was Frances Perkins. Well, as a result of this investigation there was proposed a factory inspection law. Practically the whole state was for it and I believe very firmly that the great majority of manufacturers were for it, also the great majority of business men. But the principal lobbyists before the Legislature and objectors to that bill while it was pending were the chambers of commerce and the merchants associations and the manufacturers associations who, in my judgment, were absolutely misrepresenting the membership of those societies.

And then I went on and I told them about other similar experiences, the 54-hour bill in the Legislature to curtail the working hours of women and children in industry to 54 hours a week. The associations that I had mentioned were always against the law whereas the overwhelming majority of business men and manufacturers were probably in favor of curtailing the work of women and children in industry to 54 hours a week. Again, they misrepresented their membership.

In the same way, just to go on, I will give the simple example I stated to them. The Workmen's Compensation Act: The previous one passed when Chief Justice Hughes was Governor of New York, was declared unconstitutional and we passed another one in the 1912 Session of the Legislature that was constitutional and subsequently upheld, providing for a two-fold method of workmen's compensation, one with a State insurance fund and the other with private insurance companies. It was a perfectly sound measure and the best proof is that it is still on the Statute Books, still running smoothly and with practically no amendments in all these years. Most business men, most bankers and most manufacturers were in favor of workmen's compensation as a whole, but the chambers of commerce and the merchants associations and the manufacturers associations spent thousands and thousands of dollars trying to block the bill from going through.

And then I stated to them another phase of legislation of this kind. I said, "Take, for instance, the Triangle Fire. There is an example. We had on the Statute Books of the State, before that fire, various laws requiring this safety device and that safety device and the city ordinances required not only adequate fire-escapes but unlocked doors and doors that opened outward. The law was all right

before that fire and we left it up to the business men and the manufacturers to enforce the law. Today there is a lot of talk about 'let us do these things'." Practice has shown that unless there is some kind of a Government check-up, whether it be a municipal check-up or a State check-up or a Federal check-up, that there are a certain number of people who either through carelessness, very often carelessness, and in some cases with malicious intent to avoid the law, will fail to live up to the law. Probably in the case of the Triangle Fire it was a matter of carelessness on the part of the management that these doors going out to the fire-escapes were locked.

But, when we put in inspection through a Government agency and they knew that somebody was coming around at unexpected or unknown moments to check up on them, from that time on the law was lived up to about 99 per cent.

I just used those as examples, not in answer to but in explanation of some of the statements made in meetings that have recently been had in Washington. I think that there was a pretty general meeting of the minds between these thirty members of this business council and myself on the general principles and objectives that we are all seeking to attain.

I cut this out of the paper this morning, because I think it is rather choice:

> "Francis E. Powell, head of the United States Chamber of Commerce in London, last night said that the Old World is amazed at the stubborn fight being made by business here against the New Deal. Tall and silver-haired, Powell once was chairman of the Anglo-American Oil Company. He was astonished, he said, at the frosty reception that greeted his attempt yesterday to bring peace between American merchants and the White House. Hundreds of delegates of the United States Chamber of Commerce Convention sat in grim silence as Powell proposed that a group be notified

to call on Mr. Roosevelt and pledge cooperation."

Then it goes on,

"'I was astonished by their attitude,' he told the United Press in an exclusive interview. 'It couldn't have happened anywhere else in the world. I have listened for days to the criticism of the Government's policies.

"'Some admitted perhaps the recovery work had done some good; shall we say they grudgingly admitted it.

"'The delegates have heard of the great strides we in England are making out of the depression. They have been told that it was due to our tariffs, the heavier taxes, the balancing the budget.

"'Well, that much is true. What they have not been told is that British business men cooperated with their Government. They paid higher taxes. Yes, they subjected themselves to many things to expedite recovery.'

"Powell shook his head as he watched delegates stream from the Convention floor after definitely rejecting any plan by the Government to provide for the aged indigent.

"'But,' he asked, 'how can they do these things? Perhaps we are not ready in this country yet for unemployment insurance. Perhaps it should be given more study, but we are and always have been ready for any legislation which removes the awful fear of want and poverty in the minds of those of us who are growing old.'"

Of course, the interesting thing to me is that in all of these speeches made, I don't believe there was a single speech which took the human side, the old-age side, the unemployment side. There were some glittering generalities, yes, "we hate to see old people starve," "we would not willingly throw people out of work", and so forth and so on. Not exactly what you could call a constructive contribution.

However, the business men who were in here yesterday, I think they understand it pretty well just as I think the overwhelming majority of business men in this country, the individual men, the higher executives and the middle-sized executives and the lower ex-

ecutives, they understand pretty well what it is all about and I go along with them. I think that answers that question rather too fully.

Q Mr. President, is there any reason why the state road allotments cannot be made very soon? It is merely a question of formula, is it not?

THE PRESIDENT: I think they will come along pretty soon.

Q Have you any idea as to how soon Mr. Walker's office will be in a position to receive applications?

THE PRESIDENT: I think they have been receiving a good many in the last week. We are having the first meeting on Tuesday and he is going to bring in quite a lot of applications.

Q That is the first meeting?

THE PRESIDENT: Of the Allotment Board.

You were asking about highways?

Q Yes, sir.

THE PRESIDENT: There is one difficulty in the highway allotment question. The way the bill finally went through, there was an amendment put on which requires the allocation of highway money to states in accordance with a complicated formula which is not based on the simple figure of the unemployed within the state. We have to take the population of the state and, I think, the road mileage within the state into consideration also. The result of that amendment is that in a few of the more sparsely settled, large area states, in carrying out that amendment, the amount of money which we give to that state for unemployment insurance will be practically all used on highways and they won't be able to get any money whatsoever for other projects.

Q Did you mean unemployment insurance?

THE PRESIDENT: I did not mean that. I meant unemployment rolls.

Q As I understand it, you mean the money earmarked for roads is so large that you cannot afford to use other work relief funds for other purposes?

THE PRESIDENT: Let me put it this way: I suppose there are 10,000 unemployed in the state and that $10,000,000 will put them all to work. Under this mandatory amendment, we have got to give the state $10,000,000 for highways, therefore we cannot give them any money for anything outside of highways because it will put all the unemployed to work.

Q Any method of avoiding it?

THE PRESIDENT: No, it is the law.

Q What becomes of Senator Copeland's white collar charges?

THE PRESIDENT: I guess they will have to work on the highways.

Q Mr. President, the papers along the Canadian Border have been very much interested in the promotion of relations between Canada and the United States. I wonder if you can say anything in addition to what you did say about Chairman McSwain, about this thing the other day?

THE PRESIDENT: I thought I was very forceful. If I could have been more forceful, put it down in your own language.

Q I was wondering whether it is a closed incident or whether something further can be said.

THE PRESIDENT: It is closed so far as notice to every Government official, the Army, the Navy and civilians and otherwise, so far as every Government official in this country is concerned, that we are certainly going to do nothing to arm ourselves in any form, either offensively or defensively, against Canada.

Q Have you decided yet as to the labor, city and farmer representatives who are going to be on your Works Allotment Board?

THE PRESIDENT: I don't know. General Wood will represent the business men.

Q Mr. President, are you considering any changes in the personnel of the Automobile Labor Board?

THE PRESIDENT: No.

Wait a minute, I have got something else. I forgot. Morris Cooke writes me today, "This is to advise you that the new rural electrification unit is a going concern. Through the good offices of Secretary Ickes we are housed and staffed so as to handle the first of the incoming business. Through correspondence and applications for rural lines already turned over to us by various departments, we are already in touch with the great field for usefulness. A suggested draft of the Executive Order officially setting up the Rural Electrification Administration will be in your hands early in the week." However, it is going even before the Executive Order is signed.

Q Have you given any thoughts to your loan and grant policy?

THE PRESIDENT: We are talking about that on Tuesday.

Q At the Allotment Board meeting?

THE PRESIDENT: Yes. I think that on this question of loans and grants, my general thought is that we cannot make an absolutely hard and fast line. In other words, there are some busted cities, a few of them, not as many as there were, and of course a busted city is going to get better terms than a solvent city.

Q Mr. President, may I revert to your answer to the road question? Would the same answer be equally applicable to a question about grade crossings?

THE PRESIDENT: I think grade crossings are in exactly the same category. Don't they come under that amendment?

Q I believe so.

Q Will you limit the allotments to those projects which can be finished in a year?

THE PRESIDENT: As far as we can.

Q May I be a provincial reporter again? Have you ever taken a position with reference to the deepening of the Western end of the barge canal, which is being allowed under the new scheme to be dried up and only the Eastern end to be deepened to 14 feet?

THE PRESIDENT: No, I have not. I have been very careful not to.

Q Mr. President, can you tell us anything about your conference with the two different groups of Wisconsin people?

THE PRESIDENT: What people?

Q The Wisconsin people, LaFollette yesterday and Duffy and Broughton today.

THE PRESIDENT: Yes. The Governor of Wisconsin presented a plan for the whole State. It was a plan started last Summer by Governor Schmedeman who appointed a State Planning Commission. Back in January, I think it was, Governor LaFollette went over the plan and of course made certain minor changes, and brought it down here for us to study. It was the first completed state-wide plan for public works. It is a very interesting possibility. I say, "only a possibility" because there are still certain questions that have to be worked out on it. But the possibility of adopting this plan for the whole State on the basis of the Federal Government putting up so much and the State Government putting up so much looks very good. It looks as if there will be an actual saving both to the State government and the Federal Government per unemployed person because of the way that the plan has been worked out. It is a good piece of workmanship and the thing is under study and consideration and will probably come up on Tuesday next.

Q Mr. President, have you had an opportunity to read Couch's (Harvey Couch) letter to you, which is for publication Monday morning?

THE PRESIDENT: Yes.

Q Can you give us any comment on that?

THE PRESIDENT: I think it will be interesting to everybody. I am giving it out to the papers as a matter of general interest. Even he does not guarantee all of his figures.

Q Mr. President, I sat in a long conference yesterday where there seems to be a considerable amount of uncertainty as to whether individual cities should apply for these things separately or whether you are going to group them in a separate state or region.

THE PRESIDENT: It depends entirely on what area they are in. For instance, I suppose there would be a Buffalo area with perhaps Niagara County and Erie County around it. I don't know what that particular area would be but, at any rate, Buffalo should submit its own applications for the City of Buffalo. They would be considered in connection with other applications made by the Counties of Erie and Niagara and Niagara Falls. It depends on the area. The individual government unit should put in its applications.

Q That goes for all cities?

THE PRESIDENT: All cities, yes.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.25 P. M.)

CONFIDENTIAL
Press Conference #202,
Executive Offices of the White House,
May 8, 1935, 10.45 A. M.

THE PRESIDENT: I do not believe there is any news today at all.

Q We can use a little.

THE PRESIDENT: Can you?

MR. DONALDSON: All in.

THE PRESIDENT: I am trying to get some happy thoughts out of the front row; they haven't any; I haven't any. Has anybody got any?

Q Mr. President, recently Chairman Vinson of the Naval Affairs Committee recommended the bringing to Washington of several of the old boats, the Constellation and the Constitution and, I think, the Olympia, for permanent preservation.

THE PRESIDENT: Think of the local headaches I would give to Boston and other places if I did anything like that.

Q The Constellation is at Newport.

THE PRESIDENT: This is nothing new, it all came out in the papers sixteen years ago. I had a grand idea when I was in the Navy Department and nothing ever happened to it and nothing ever will, I believe. But the thought was that up on the bank of the river, right near the Navy Hospital, where the new Navy Department building will go, if we ever get one, we should have an embankment and put some of the historic ships along the embankment as they do in some places in Europe, and charge a small admission fee so that the cost of maintenance would be covered.

I don't believe Boston would consent ever to giving up the Constitution, but there are other ships, the Constellation at Newport --

there is no historic reason for her being at Newport because she was not built there. The Constitution was built in Boston. Then there is the Olympia of the Spanish War. Then there is the old Hartford down in Charleston.

Q The Hartford?

THE PRESIDENT: The Hartford. She is down at Charleston. All three are historic ships.

Q Chairman Vinson used an argument about Boston -- he made the suggestion that the Constitution was written in Philadelphia and that they brought that here. It is not a bad argument to answer Boston.

THE PRESIDENT: The first government was set up under the Constitution in New York. As a matter of fact, it was a perfectly pious idea but we haven't any money to do it at this time. We cannot possibly do anything about it this year. It is not in the Budget and I cannot put it there.

Q An idea of yours when you were in the Navy Department -- just how far did you go with it?

THE PRESIDENT: I think I proposed it to the Naval Affairs Committee when I was Assistant Secretary of the Navy.

Q No action taken?

THE PRESIDENT: No action taken.

Q Is Norman Armour a good guess as new Minister to Canada?

THE PRESIDENT: I do not know.

Q Is the Subsistence Homestead Division going to be transferred from Interior to Rural Resettlement?

THE PRESIDENT: What is that?

Q Subsistence Homestead?

THE PRESIDENT: Yes.

Q Can you tell us anything in regard to progress of overtures to Great Britain by this country for an international cotton conference to curtail production?

THE PRESIDENT: No overtures have been made at all. Oscar Johnson went over there, as you know, on -- I suppose the easiest way to call it is a "look-see" trip. He has just come back and I have not seen him.

Q Have you any happy thoughts on the Supreme Court decision, if you have any?

THE PRESIDENT: No; I have one written report on it from the Department of Justice and others are coming in. I have not read this -- it just came in this morning.

Q Mr. President, the Senators passed the Bonus Bill.

THE PRESIDENT: It has not arrived at the White House yet.

Q In that connection, may I ask, is there any indication when a Message might go forward or go back to the Congress on the bonus?

THE PRESIDENT: If I was writing it (the story), I would say "Within a comparatively short time." (Laughter)

Q Within ten days? (Laughter)

Q A veto will be sure? (Laughter)

THE PRESIDENT: I am not taking advantage of the ten-day limitation that I have.

Q Are the minutes of the last Press Conference going up to the Hill in response to Congressman Martin's request?

THE PRESIDENT: Well, that is something I would like to consult with you fellows about a little bit. As you know, there is no particular reason why what was said that day should not go up. Let's make this off the record, because really it concerns you and me more than anybody else. My general thought is that if I agreed and set the precedent

and sent what I said up there, it will put a sort of subconscious cramp in my style. I would be thinking, in the future, about the possibility of their asking for something else and, after all, what I say here, as you know, is not for quotation but it is for your benefit in writing stories for a great many million people. It is entirely extemporaneous on my part. I don't think ahead of what I am going to say. It is a bit slangy and I think that if I once agreed, I would be worrying about the language I was using and the fine points of distinction that ought to be made. Therefore, my general thought is that we ought to keep this between ourselves and not start a precedent of sending it up to the Congress. What do you people think?

(The Press indicated, in chorus, that they agreed with the President)

Q In that connection, it is a sort of reflection on us. Can't they read the newspapers?

THE PRESIDENT: Your point is well taken.

Q Read them and wonder just what was said. (Laughter)

Q About the historical ships, are you still in favor of it, of such a scheme?

THE PRESIDENT: Yes, Count (Rudolph de Zapp), I am. I think it would be perfectly wonderful if we could have three or four of the historical ships of the Navy moored here along the seawall of the Potomac. It would be very appropriate to put them alongside the new Navy Department building and I hope it will be done some day, but it cannot be done this year.

Q Can you tell us anything further about yesterday's meeting of the Allotment Board?

THE PRESIDENT: No. We discussed a great many different matters of policy. For example, we talked about the question of loans to cities; we talked about projects that were long-time projects, three- or four-year projects, and the number of people off the employment rolls that would be used in certain types of projects. There was general discussion on that.

Q Mr. President, were any policies decided on navigation projects that would cost $40,000,000 and would involve the expenditure of about $10,000,000 a year?

THE PRESIDENT: Navigation projects?

Q Yes, sir, navigation projects.

THE PRESIDENT: Well, it depends entirely on the individual project. For instance, Upper Mississippi, we won't be able to finish it this coming year but it is a definite long-time project. We have been going ahead with it for three years and I think it will take another couple of years to go through with it. We will only give them money for one year. Or, on a question of building a new harbor from the ocean, if the Army Engineers believe that a new channel should be built, which would take several years to carry it out, we would give them one year's appropriation.

Q This is an adopted project under the Rivers and Harbors Bill?

THE PRESIDENT: Yes.

Q Can you tell us anything more about the discussion regarding loans to cities?

THE PRESIDENT: No. I think probably the best guess for you is this: that we cannot lay down an absolutely hard and fast rule to cover every city in the United States. The projects in the different cities vary and the state of finances in the different cities varies.

Q What about a city that cannot borrow money, looking for an outright grant?

THE PRESIDENT: Well, that is a question as to whether they should get that form of grant or not. There are other kinds of work that can be done in those cities.

Q Would the old arrangement of 30 per cent of the cost apply?

The outright grant of 30 per cent to labor and materials?

THE PRESIDENT: That is one method, but only one of several.

Q In your Executive Order the other day, setting up the Works Progress Division, you mentioned the possibility that Mr. Hopkins might create jobs directly. Can you talk about that at all? How extensive do you expect that to be?

THE PRESIDENT: It depends entirely on how fast the rest of the program goes. It is bound to be fairly large.

Q The Advisory Committee on Allotments, as set up in the Executive Council, has dropped the Division of Grade Crossing Elimination which appeared in the first list. Does that indicate that there will be no Division of Grade Crossings?

THE PRESIDENT: I do not know; we have not decided on that yet. I may ask the Grade Crossing man to become a member of the Committee.

Q They have a man in the Bureau (of Roads) who knows his stuff.

THE PRESIDENT: I don't know; I have not talked to MacDonald (Chief of the Bureau of Roads) about it. It will depend on what MacDonald says.

Q On this discussion about the Press Conference. Can we use the fact that it won't go up there?

THE PRESIDENT: Wait until I write a letter to the Speaker on it. I think it would be a little more courteous. Can we do that, Steve (Mr. Early)?

MR. EARLY: The letter goes to the Clerk of the House.

THE PRESIDENT: Yes, the letter goes to the Clerk of the House. I will try to get it in an hour or two.

Q Will you try to send a message up on transportation this week?

THE PRESIDENT: I hope so.

(The Press Conference adjourned at 10.55 A. M.)

CONFIDENTIAL
Press Conference #203,
Executive Offices of the White House,
May 10, 1935, 4.05 P. M.

THE PRESIDENT: I have to hurry -- I have to get dressed. I have a ceremony this afternoon.

Q How about one good news story and then we will get finished?

THE PRESIDENT: Gosh, I don't know any. The only news story I know is that I am going fishing.

Q It is a good idea.

THE PRESIDENT: Yes, it is a good idea.

Q Mostly trout up there?

THE PRESIDENT: I don't know; I have never been there.

Q It is a beautiful place.

THE PRESIDENT: The Senator (Mr. Young) wants a really good news story. I have only one. I am going fishing tomorrow, taking the day off.

Q Mr. President --

THE PRESIDENT (interposing): Shoot.

Q Mr. President, maybe this will be a story. There is a lot of lamentation to the effect that foreign trade has become a thing of the past and that our exports are drying up. Could you discuss that for background, that general subject of the prospects of international commerce?

THE PRESIDENT: A terrific subject.

Q Fifty well-chosen words. (Laughter)

THE PRESIDENT: A few well-chosen words about to be repeated to the House. I think our imports are up and that our exports are up over last year. I think so. And I think last year they were up over 1933. In other words, my general impression is that there is a general betterment in

foreign trade, not only our own but almost all over the world. Foreign trade is better as a world proposition, including our own, that it was last year.

I don't know what else we can develop very well, unless we go into all kinds of theories about tariff agreements and so forth. And there are a few things we have done; for instance, we are shipping potatoes out of Maine to Cuba, which we never did before.

Q Mr. President, have you finished with that subject?

THE PRESIDENT: I don't think there is anything else I can say.

Q This may come within the pending legislation ban but at least I have been asked to lay before you this question: There is a jam in the House on the Home Owners' Loan Corporation Bill. It is held up in conference somewhere and lots of people are asking about it. Is there anything you have to say about it? Either on or off the record or for background?

THE PRESIDENT: I have been sending up word occasionally that I hoped the jam on that bill will get broken. We do want to get it through as soon as we can.

Q Yes, sir.

[Retirement?]

Q Has your study of the Justice Department report on the Railroad Pension Act made you change your mind about NRA?

THE PRESIDENT: No, not a bit.

Q Will it make any changes in the Act itself?

THE PRESIDENT: Which Act?

Q The NRA Act?

THE PRESIDENT: Whose Act.

Q The future Act.

THE PRESIDENT: Well, that, of course, nobody has the faintest idea of what the NRA legislation will be and the form it will take in either House yet, so it is a bit difficult to answer that question yet. I do not know.

Q Give us your attitude on the ten months' extension?

THE PRESIDENT: My own personal feeling is that it will be much better to make a two-year extension than a one-year extension.

Q By a general revision, or by the Resolution they have?

THE PRESIDENT: Not by the Resolution because that does not clarify certain points which I think can be clarified. At least we want to try to clarify them.

Q Will you ask them to do that in the House?

THE PRESIDENT: It has not come up in the Senate yet.

Q The Caucus acted on it today.

THE PRESIDENT: Yes. I do not want to be premature because the Senate has not acted.

Q Mr. President, will you have the transportation Message this week?

THE PRESIDENT: I cannot get it in this week; I have not the time to get to it. It is pretty nearly finished.

Q Next week?

THE PRESIDENT: I hope to get it done. It depends on what happens Saturday and Sunday. I will try to get it in Monday or Tuesday.

Q The highway construction has fallen below the levels of last year, largely on account of this new program, waiting to find out how much is going to be allotted to the Bureau of Roads under that $4,000,000,000 bill. I wonder if you can give us an indication on whether anything is likely to come through?

THE PRESIDENT: I do not think it has fallen behind.

Q It is 170 this year as against 248 last year. That is quite a sharp drop.

THE PRESIDENT: Didn't we get the legislation earlier last year?

Q You had $400,000,000 from the year before.

THE PRESIDENT: We had a big carryover.

Q Can you give us an idea?

THE PRESIDENT: We are going to make a tentative allotment at the next meeting.

Q That is for public roads?

THE PRESIDENT: Yes, out of the general highway earmarking by the Congress.

Q The Senate today adopted a Resolution --

MR. EARLY: (interposing) Louder, please.

Q -- asking that you make public the reports of the Advisory Council Committees. I do not know whether there are any reports.

THE PRESIDENT: No. I had a very nice talk with Harry Kendall the other day and I pointed out that there are two or three tentative reports which the subcommittees had taken up, subcommittees of three, without consulting with any of the Government agencies. For example, the subcommittee on social security legislation had drafted a tentative report which had not been submitted to anybody, I mean formally, and finally submitted without even consulting the Department of Labor, getting their point of view. Mr. Kendall said that was bad and he was going ahead and in these future reports they were going to talk with various people. For instance, on the question of tax report, instead of putting in their own tax report, made out by the firm of Sullivan and Cromwell in New York, that they would first of all talk to the Treasury Department about it. So we have an excellent modus vivendi worked out and, in their future reports, they are going to talk to the various Government departments and agencies interested

and get their points of view. And then, of course, they are entirely free to make any report they want. Of course, it is their report and I won't make it public; they will do that themselves. All I ask is that they check up with a Government agency to find out what the Government is trying to do.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #204,
Executive Offices of the White House,
May 15, 1935, 10.45 A. M.

THE PRESIDENT (Addressing Wilson Brown): What paper do you represent?

Q (Mr. Storm) He represents the Navy Register.

THE PRESIDENT: I do not think I have any news for you.

Q (Mr. Storm) I see you told the city slickers yesterday.

THE PRESIDENT: What is that?

Q You lit into the city slickers yesterday.

THE PRESIDENT: Good idea; I will have to tell the boys.

Q (Mr. Storm) They loved it too.

THE PRESIDENT: Yes, they did.

MR. DONALDSON: All in.

THE PRESIDENT: Well, how are all you city slickers today? (Laughter)

Q Does that make us high and mighty?

THE PRESIDENT: We had a good party yesterday all right. I don't believe there is any news.

Q Mr. President, the Senate has now taken up the Wagner Labor Disputes Bill. For some time you have been kind of indicating that you might care to discuss it with us.

Q Louder.

THE PRESIDENT: He is asking about the Wagner Labor Bill. I do not think I am quite ready. To tell you the honest truth, I have not given it any thought one way or the other. I'd hate to talk about it without thinking about it a little.

Q Have any overtures reached you on behalf of Governor Davey to obtain peace in this row with the Administration over relief?

THE PRESIDENT: I have not heard a word. Mac (Mr. McIntyre), you haven't anything?.

MR. McINTYRE: No, sir.

THE PRESIDENT: We haven't anything.

Q Are you ready to say anything about a successor to Martin Conboy (as District Attorney in New York)?

THE PRESIDENT: Not yet. His first assistant will carry on until we are ready to send up the nomination.

Q Any progress on the transportation Message?

THE PRESIDENT: No. Again, there are a couple of people I want to see before it is in final shape. I have not had a chance to see them.

Q Will it go up this week?

THE PRESIDENT: I hope so.

Q Any reaction from abroad on the talk made the other day by Secretary Morgenthau on stabilization?

THE PRESIDENT: Nothing, Stevie (Mr. Stephenson). I saw the dispatches from the embassies yesterday afternoon and there was nothing in them yet. I suppose they will begin to come in pretty soon.

Q Have you talked with Johnson (Oscar Johnson) about the world cotton agreement?

THE PRESIDENT: He is coming in to see me today at 12.00 o'clock. I have not seen him yet.

Q Is there anything you can tell us further about stabilization -- supplementing what Morgenthau said?

THE PRESIDENT: No; I think that covered it pretty well. I do not know of anything else.

Q Mr. President, have you decided on continuation of Mr. Eastman's office as Coordinator? You know that expires June tenth.

THE PRESIDENT: There will be something about it, probably in the Transportation Message.

Q Do you care to comment on the passage yesterday of the Senate Resolution on NRA extension?

THE PRESIDENT: No. The best thing to do is to read what I have said about that, twice.

Q Do you intend to ask the Postmaster General for any information with respect to the affidavit read before the Senate?

THE PRESIDENT: I do not know anything about it, one way or the other.

Q Have you decided what you are to do about Pan-American air-mail rates?

THE PRESIDENT: No; talked about it some more yesterday; no decision made yet.

Q The farmers are talking about making a permanent national organization?

THE PRESIDENT: I saw it in the paper this morning; I wondered how many had.

Q There were about twenty talking about it. (Laughter)

THE PRESIDENT: No, I haven't heard anything more than I read in the paper.

Q Have you had any reaction to your talk to the farmers?

THE PRESIDENT: No.

Q Have you any plans on Subsistence Homestead in view of McCarl's opinions?

THE PRESIDENT: I think that is still in the stage of technicalities on how the money can be used. I do not think there has been any final determination on it yet.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #205,
Executive Offices of the White House,
May 17, 1935, 4.03 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: I cannot think of anything. You start.

Q Mr. Morgenthau said this morning in the Hearing that he thought the Government should own stock in Federal Reserve Banks, and I wonder if you would care to express an opinion on that.

THE PRESIDENT: I think it would solve a great many questions if we did. I will tell you something off the record. I was talking a couple of days ago with a very deep student of American history about the old fight between Andrew Jackson and the Bank of the United States and at that particular time, his Secretary of the Treasury went in to see him and he said, "You are in a sort of a jam, Mr. President. Here is this Bank of the United States that is privately owned", he said. "You are licking them; you are probably going to put them out of business", and of course the thing had been going on for two or three or four years, this fight. He said, "The United States has a minority interest in that bank. Why don't you go to the Congress and get a majority interest and then you won't have any trouble about the control of the bank." Well, Jackson couldn't see his way clear to do it. That's a hundred years ago but it would have solved the banking situation at that time in a much more satisfactory way and probably would have prevented the era of wildcat banking during the next ten years that held sway over the country. I just cite that as an interesting historical incident.

Q (Mr. Stephenson) Did you say the next ten years or the last ten years?

(Laughter)

Q How about that transportation Message?

THE PRESIDENT: That has been pushed aside. I have not had time.

Q Next week?

THE PRESIDENT: Next week.

Q Do you expect to send up the name of a successor to Patrick Farrell when you send up the transportation Message?

THE PRESIDENT: No.

Q I understand the Attorney General has sent to you a recommendation in the case of Charles Harris, waiting to be hung. Have you seen it?

THE PRESIDENT: Do you know if I have it? Steve (Mr. Early) says I have not got it. Is that a recommendation for extension?

Q You have given him two already.

MR. McINTYRE: The last time he had asked for an extension to complete the investigation.

THE PRESIDENT: Do you think they are asking for another?

MR. McINTYRE: I do not know.

Q While Steve made your position on the bonus very clear to us yesterday morning, nevertheless there are several reports going around up on Capitol Hill which say that you would not mind if the Senate overrode your veto. Can you go into any further explanation on that subject for us?

THE PRESIDENT: Let's put it on this basis: You have Steve to a point where you are questioning his veracity. (Laughter) Steve comes back from the Woodmont Club and tells what is literally true -- that we did not discuss the bonus at the Woodmont Club. But there are some people who do not believe Steve. Well, he happened to be telling the truth 100% and now his veracity is questioned on the bonus and I have to admit that he again is stating the truth absolutely.

In other words, the bill is going to be vetoed. That is number one. It is going to be vetoed as strongly as I can veto it. And number three, I hope with all my heart that the veto will be sustained. Now, is that clear?

Q We have a report from abroad that a Professor White from Wisconsin reported you as having had some stabilization conversations with the British. Is that correct?

THE PRESIDENT: Off the record, I never heard ot it. Who is he? He may be a very famous person but I never heard of him.

Q He is the son of old man White. (Laughter)

Q Mr. President --

THE PRESIDENT (interposing): I don't know who he is, Fred (Mr. Storm). Who is he?

Q (Mr. Storm) He is identified as Professor Harry White, of Wisconsin University, in the Agency Report.

THE PRESIDENT: I do not think I have ever heard of it.

Q To get back to the bonus, can you tell us when you will probably send it up?

THE PRESIDENT: I do not think I will send it up; I think I will take it up. (Laughter) There is a piece of news for you. The date is uncertain.

Q Mr. President, can you tell us whether any money will be allocated in the next few days on the projects approved yesterday?

THE PRESIDENT: Orders, I think, are now being prepared on those recommendations that we made the other day. When the Orders come in here, I will have to go over our recommendations and I cannot tell you whether I will sign them all or not. But either tomorrow or Monday those Orders will be ready.

Q The press release on Passamaquoddy did not mention Dexter Cooper. Will

he have any connection with it?

THE PRESIDENT: I imagine as consulting engineer because, of course, he knows more -- he is the man that went up there originally and was employed by that syndicate that got together, General Electric and a lot of companies, and he was employed by them to gather all the geological and tidal engineering statistics, so I think they will employ him as consulting engineer.

Q In connection with the Wisconsin program, in which the Federal Government recommended for allotment approximately half of the $200,000,000 of work projects, will there be a general rule with all states that they will be required to match dollar for dollar?

THE PRESIDENT: As much as we can get. It was not put on a dollar to dollar basis but it was such an attractive offer we felt we could not turn it down. Each case will have to stand on its own merits.

Q The House leaders seem to be looking to you for guidance on the Wagner Labor Disputes Bill?

THE PRESIDENT: I will probably talk with them over the week end.

Q Getting back to the bonus, you will take the Message to the House?

THE PRESIDENT: Yes.

Q Will there be a joint session, Mr. President?

THE PRESIDENT: Yes.

Q Did you discuss at the Cabinet meeting today the strike at the Camden Shipyards?

THE PRESIDENT: No.

Q Was it brought up at all?

THE PRESIDENT: No, it was not.

Q I understood it was to be brought up at this meeting.

THE PRESIDENT: No, it was not discussed at all.

Q Will you go down the river?

THE PRESIDENT: Tomorrow afternoon, over night.

Q Are you going to keep Nelson Johnson as Ambassador in China?

THE PRESIDENT: Yes, if the Congress raises it to an embassy.

Q Will you touch any other pending legislation in your appearance before the Congress?

THE PRESIDENT: No, just bonus.

Q Is that Message completed yet?

THE PRESIDENT: No.

Q Do you expect to do some work on the river?

THE PRESIDENT: Oh, it will be done before I go down.

Q There is a report on the Hill that you might meet tomorrow evening with the House leaders on the Wagner Bill and Social Security?

THE PRESIDENT: No; I am going down the river.

Q These Orders regarding public works, will they be given out as approved or will you hold them for a time?

THE PRESIDENT: I think we will give them out just as fast as they are signed.

Q Here or at Frank Walker's?

MR. EARLY: Frank Walker.

THE PRESIDENT: Frank Walker. (At this point Mr. Early spoke to the President.) Steve says that you perhaps will like to use that direct quote, that I hope with all my heart that the veto will be sustained.

Q We would.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #206,
Executive Offices of the White House,
May 22, 1935, 10.30 A. M.

Q It was a fine Message.

THE PRESIDENT: Too damned long. Everything except the kitchen stove in it.

MR. DONALDSON: All in.

THE PRESIDENT: Any news?

Q Yes, sir; you gave us some.

Q You are going to veto the Bonus Bill today, Mr. President?

THE PRESIDENT: I think I may. I do not think there is anything. I haven't anything on my chest. I don't think I have any particular visitors coming. It is a fairly quiet week.

Q What time do you figure on arriving at the Capitol?

THE PRESIDENT: About quarter past twelve.

Q Will you be tempted to make any extraneous remarks on the Hill?

THE PRESIDENT: I do not think so. I always sneak in one or two words, as you know.

Q Mr. President, is there anything you can tell us about the conference yesterday with Mr. Walker and Harry Hopkins? They told us it was just a general discussion. Anything you want to add to that?

THE PRESIDENT: Yes, it was a rather interesting talk we had. It related to two states, Alabama and Indiana. The two relief directors from those states were here.

The problem presented in each state was to make the money to which the state would be entitled on the basis of the people on the unemployment rolls go around in such a way that it would take practically everybody off those rolls. In other words, it brought im-

mediately to a head the question of the percentage of very expensive projects we could allot in any given state. Well, the simplest example is this: We have four billion dollars and are trying to put three and a half million people to work. Well, that is not much more than a thousand dollars per person. You find that grade crossings, they will cost two thousand dollars per person employed because materials are a very heavy factor there.

There are some of those expensive projects where the expenditure per individual runs as high as two thousand or twenty-five hundred dollars. That means that on other projects the amount we can spend must be a great deal less than eleven hundred dollars average.

In both states, the directors brought in very comprehensive plans. Now, taking the case of Alabama, there are certain items that have to come out of the allocation to Alabama. Let us say, for example, that the allocation to that state on the basis of the number of unemployed in the state would be sixty million dollars. We will just use that figure as an example. From that we have to deduct, immediately, the CCC boys from the state of Alabama. That will cost about twelve hundred dollars per boy, which is above the average that the state can spend. Highways probably cost nearer fifteen hundred dollars per person employed. Grade Crossings probably cost two thousand dollars per person employed. Now, those are practically mandatory allotments to the state of Alabama and to every other state, which means that we have to find local projects for the balance of the money that will run at a very much lower ratio of money spent per person employed. Of course, this has nothing to do with the wage scale. In other words, when I say two thousand dollars per person employed it does not mean that the person gets two thousand dollars.

The person gets whatever the rate of pay is, but there is a higher cost for materials and that actually brings the cost per person up to the higher figure.

Taking those two states as examples, we will probably go through the country on the same basis, making certain mandatory allotments, like highways and CCC Camps and things of that kind, and then finding how much money we have left for that state and then cutting the projects to fit the cloth -- to fit the amount of money that is left.

That process probably will take another five or six weeks to work out. Those projects which are in the mandatory category, the allotments on them are very nearly completed, like CCC Camps and highways. We know how much money is going into them. I call them "mandatory" allotments because Congress has suggested that we divide more or less in accordance with a formula. The total of those mandatory allotments, depending a little bit on the state, run between 25 and 50% of the total amount spent in the state.

I am just using this as an explanation of the method we are using in getting the money out and we are still hoping that all these projects will be under way, both the mandatory and the local, cheaper projects by Autumn. I said November and we still think that is a pretty good date.

Q Can we assume, then, that there has been a rough allotment made to each state based on the number of employables on the relief rolls?

THE PRESIDENT: Yes.

Q Would it be possible to get these estimates by states?

THE PRESIDENT: I think so. I think probably they can be given out fairly soon.

Q I think it would help if they knew how much they were to have.

THE PRESIDENT: That would be dependent on approximate conditions as they prevail.

Q Mr. President, can you give us an example of some of the cheaper types, what type they would be?

THE PRESIDENT: Well, for example, in Alabama they need a good many schoolhouses. The school district cannot afford to do it the old way, which was to borrow money at 6, 7, 8 and 10%, so probably in the case of school districts they will be asked to provide a certain amount themselves and we may give a certain portion as a gift and the balance we will ask them to repay over a period of years at a very low rate of interest.

Q That would not make it a PWA project in the sense that it would come under Administrator Ickes' direction?

THE PRESIDENT: It depends on the locality very largely.

Then, they have quite a number of highway plans down there for bridges over creeks, wooden bridges over creeks, that would cost very little money to build, where the materials entering into it form a very small portion of the cost.

Q Mr. President, is there any example where all the expense would be borne by the Federal Government that would make the money go further than the illustrations you use?

THE PRESIDENT: You mean for municipal projects?

Q Any kind.

THE PRESIDENT: It depends largely on the condition of the municipality, the locality.

Q You stated twelve hundred dollars for CCC boys, for instance.

THE PRESIDENT: Of course, the Federal Government bears all of that. They bear all of the highway money except for a comparatively small amount.

I don't remember exactly, but I think the matching portion of highway money is only about a hundred million dollars.

Q To the extent in which a political subdivision can put up its own money the program is going that much further?

THE PRESIDENT: Yes. Well, in the case of LaGuardia and his sewer in New York, he has a City which can still borrow money and the result is that he is borrowing 70%, and the only nick in the four billion dollar appropriation will be the 30% which will be a grant. Where a municipality can borrow, we are delighted to do it that way.

Q Is Wisconsin doing practically the same thing?

THE PRESIDENT: Practically the same thing.

Q A hundred million dollars?

THE PRESIDENT: Yes. They are putting up a hundred and nine million dollars and getting a hundred million dollars from us and agreeing to pay us back over a period of years, thirty million dollars of the hundred million dollars we put up.

Q Mr. President, isn't it probable that only a comparatively small percentage of the people on work relief will come under the wage scales? In other words, if you exempt all the highway programs and the PWA programs, and so forth, wouldn't that take more than 50% off the --

THE PRESIDENT: Oh, nothing like that.

Q Has the time arrived when you can say anything about the Wagner Labor Disputes Bill?

THE PRESIDENT: Not yet; still talking.

Q Can you tell us anything about the possibility of an international war debt and disarmament conference in Washington -- Senator Tydings' proposal?

THE PRESIDENT: I have not heard about it. Has he a proposal?

Q Is the Government considering an international conference here now?

THE PRESIDENT: It is a new one on me.

Q Mr. President, on those pay scales again, would the scales for highway and grade crossing elimination work be much different from those you indicate in your Order?

THE PRESIDENT: Not very different; there would be certain exceptions.

Q Have any of the allotments that have been recommended by the Allotment Board been approved yet by you?

THE PRESIDENT: Oh, I think the verbal approval has gone out and I think the Director of the Budget is still trying to find the form of letter for me to sign. Verbal approval has been given to all of those passed the other day. In other words, there will be no delay, although I have not physically signed the letters yet.

Q Can you tell us anything of the criticism of the wage scales set up?

THE PRESIDENT: They will have to be specific before I can talk about them.

Q Well, they are too low. (Laughter)

THE PRESIDENT: That is not specific. Where, what trade and what locality? You will have to come down to that.

Q Did I understand you to say that verbal approval had been given to all of the projects, the whole billion?

THE PRESIDENT: Yes.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #207,
Executive Offices of the White House,
May 24, 1935, 4.08 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q The stand in the Senate now seems to be to attach the Bonus Bill with the idea of putting it in any one of three ways on the Social Security Bill. Now, would you care to say at this time whether you would be inclined to veto the Social Security Bill?

THE PRESIDENT: Anything that is extraneous to the Social Security Bill will be vetoed. That is easy. Of course, that (the Social Security Bill) is one of the greatest steps in progress we are taking today. I consider the Social Security Bill probably the major Act of this Congress and to attempt to load it down with something that has nothing to do with it -- it is perfectly obvious what the answer must be.

Q Can you tell us anything about the committee meeting this morning about the extension of the Bankhead Act?

THE PRESIDENT: You had better get that from the Hill because it depends on the break in procedure up there. It is too complicated to talk about it down here. Of course, as a matter of general fact, we do want the Bankhead Act extended so they can take a vote on it this year.

Q How about the 12-cent loan, is that to be continued?

THE PRESIDENT: That was not discussed.

Q One member of the conference said you had agreed to a 21½-month extension of the NRA?

THE PRESIDENT: I never heard the figure mentioned. I am opposed to an extension to next April.

Q In your Fireside Chat you did not mention any time limit at all on the NRA. You said merely an extension.

THE PRESIDENT: But in my Message to Congress I said two years.

Q Why did you take two years? Why didn't you make it permanent?

THE PRESIDENT: Because we are still in the evolutionary stage of NRA. It should, probably like almost any similar Act, be amended from time to time. The best illustration was the Social Security Act in England, which was put through in 1909, and which has been amended by every Parliament from then down to date. That also is an evolutionary process.

Q And in that time legislation will be brought forward to meet the same objective?

THE PRESIDENT: Yes.

Q When he came out of here today, Mr. Green (William Green, of the A. F. of L.) said that he is of the opinion that you are in sympathy and friendly to the purposes of the Wagner Disputes Bill. Is that right?

THE PRESIDENT: Well, I think that is a fair statement. There are a number of amendments and changes of language which were discussed by those who were in here this morning after they (the other conferees) left here. And there may be some changes in language made when it come up in the House.

Q You spoke of discussing that with the Leadership of the House, I believe at a recent Press Conference. Have you had such a discussion with the Leaders of the House?

THE PRESIDENT: Just in general; not with respect to the details of it. That was one of the purposes of the conference this morning, so as

to be able to take it out.

Q Was one of the discussions with respect to the Majority Rule decision?

THE PRESIDENT: No.

Q On Wednesday it is reported that the Japanese Ambassador made a speech and he read copies of letters addressed to him which he said objected to our maneuvers in the Pacific. He discussed it again today with a reporter of the Washington Times and showed him the letters, et cetera. I am asked to find out --

THE PRESIDENT (interposing): I never heard about it at all. Steve (Mr. Early) told me about it five minutes ago.

Q Do you care to make any other comment?

THE PRESIDENT: No.

Q Have you decided the loan and grant policy?

THE PRESIDENT: I think I will have something for you on that either this afternoon or the first thing in the morning. That is the loan and grant policies to cities.

Q You said you would veto the Clark Bonus Bill. Would you veto it --

THE PRESIDENT: (interposing) No -- wait. There is a limit to the "if" questions.

Q May I ask you if you will veto it if it comes to you as a separate bill?

THE PRESIDENT: We will limit ourselves to that particular question today.

Q Mr. President, have there been any suggestions to you from Wisconsin that you rescind your approval of the Wisconsin program?

THE PRESIDENT: No.

Q Getting back to the NRA, is there any sign of a meeting of minds between the Senate and House after this conference?

THE PRESIDENT: Put it this way: "Hope springs eternal."

Q Only hope still?

Q Have these conferences developed a definite procedure on what labor conditions are to be affected by labor legislation?

THE PRESIDENT: No; they are still talking about it. I think it is in the House Ways and Means Committee.

Q Something more interesting to our readers: Is Franklin in the Varsity Crew tomorrow?

THE PRESIDENT: No, the Junior Varsity. They made the whole Varsity Crew the Junior Varsity because the Junior Varsity looked better and they made the Junior Varsity into the Varsity. That is the present status.

Q In the Junior Varsity race tomorrow, do they race too?

THE PRESIDENT: Yes. From all I hear that will be the way it will go the rest of the season.

Q When is that transportation Message going up?

THE PRESIDENT: Oh, as soon as I can get to it.

Q Next week?

THE PRESIDENT: I hope early in the week. I have not had a chance to get at it at all.

Q Mr. President, is the Works Progress Division contemplating any liberalization of its relief wage scale as urged by organized labor?

THE PRESIDENT: Only in accordance with the Order. If you will read the (Executive) Order, it will describe what can happen.

Q After the races tomorrow will you spend the week end aboard the SEQUOIA?

THE PRESIDENT: Yes, coming around back to Washington.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #208,
Executive Offices of the White House,
May 29, 1935, 4.00 P. M.

Q (Mr. Young) I wrote a story that you have not lost your old smile.

Don't throw me down.

THE PRESIDENT: You bet I haven't. It is working overtime. (Laughter)

All in? No, not yet.

Q (Mr. Young) Big crowd. They are looking for something. Steve (Mr. Early) warned us early this morning. (Laughter)

Q The inactivity on the Hill is bringing them down.

THE PRESIDENT: What?

Q The Hill has gone on a holiday for a day or so and it brings them down here.

THE PRESIDENT: Spring fever. (Laughter)

MR. DONALDSON: All in.

Q That (referring to spring fever) is as good an excuse as any.

THE PRESIDENT: That's all right.

Well, all you occasional visitors who occasionally come in, stand in the back row. (Laughter)

I haven't any news at all.

Q Is there anything you can tell us for background or otherwise about this NRA situation?

THE PRESIDENT: I don't think so.

Q What did you talk to General Johnson about?

THE PRESIDENT: The same as I have talked to 75 other people today and yesterday, the NRA. Business men, lawyers and newspaper editors -- those are the three classifications.

Q You had better talk to us reporters. (Laughter)

THE PRESIDENT: No. When I get through talking to all of them, I will talk to you and find out what to do.

Q You did not talk to the General as a newspaper columnist?

THE PRESIDENT: As a matter of fact, I did not see him alone, there were two or three others.

Q Did you also see Professor Frankfurter today?

THE PRESIDENT: Yes, I saw him today; I have seen some of the labor and business groups and I have seen two editors so far, and two or three eminent lawyers.

Q Who were they, sir; would you mind telling us?

THE PRESIDENT: If I once started, it would take me fifteen minutes to remember. I started at ten minutes past nine this morning and I have been seeing them ever since.

Q Have you signed the order allocating the funds for the Wisconsin Works program yet?

THE PRESIDENT: I don't know. Do you remember, Steve (Mr. Early)? I don't remember whether that has been signed or not.

Q There are a lot of rumors in Wisconsin that you will not sign it, that you have changed your mind on that program.

THE PRESIDENT: No, that is not so.

Q Can you tell us about your talk today with the House Military Committee? I think they were in here.

THE PRESIDENT: It was a clarification of rather many details in the TVA legislation they wanted to know about and a good many of their questions I had never heard of before so I have to check up on it. I could not give them any information because I did not know it.

Some of the other questions I think we explained satisfactorily

and I think they are going to get the bill out and through.

Q You do think they are going to get it out?

THE PRESIDENT: I think so. I don't know when, but I hope very soon.

Q Can you tell us anything about your talk with Governor Harrison?

THE PRESIDENT: No, that talk was about the French situation.

Q Any conclusions?

THE PRESIDENT: That you will have to ask the Treasury Department about. That is one of those things I cannot talk about.

Q During the past few days both Stanley Baldwin and Anthony Eden have expressed the desire of the British for closer cooperation with us in the maintenance of world peace. Can you tell us whether or not that desire is reciprocated on our part?

THE PRESIDENT: Yes. (Laughter)

Q Without equivocation?

THE PRESIDENT: Yes, without equivocation, we are in favor of world peace.

Q Having progressed that far, can we induce you to elucidate on Baldwin's dream that some day the navies and general manpower and resources of the United States and Great Britain might be used jointly in the maintenance of world peace?

THE PRESIDENT: Isn't that rather a warlike statement? Jointly against whom?

Q Just as a guarantee of world peace, (laughter) against anyone that attempts to break the peace.

THE PRESIDENT: I think that sounds awfully belligerent.

Q Any plans for dealing with the coal situation?

THE PRESIDENT: No, the coal situation is a good deal like a good many of the other situations that are brought about by the Supreme Court decision. Well, if I were going to write the story -- I am afraid

you are going to get something now -- if I were going to write the story I would write it something like this: The spot news is not in Washington!

Now, I know what a difficult spot that puts you in, all of you, because you are supposed to represent spot news.

The real spot news in the present situation is what is happening as a result of the Supreme Court decision in every industry and in every community in the United States. That is the spot news.

I have, for instance, a good many resolutions that have come in. Here is one, right in front of me, that came in to me ten minutes ago. It is from the Cotton Textile Industry Committee resolving that they recommend that the cotton textile industry make no change in the conduct of its business and urge the industry to accept this as a general policy. Of course, that has already been expressed by Mr. Richberg in his statement the other day in which he said that he hoped, and we all hope, that the code provisions with relation to fair trade practices and with relation to wages and employment in general will be maintained. That is fine.

But, at the same time, what are we going to do, let us say, in the cotton textile industry if some mill starts lengthening out its hours and cutting its minimum wages? That is putting it rather squarely up to the cotton textile industry and it all comes back to the same old thing. 90% of them, as I said a couple of years ago, want to play the game on the level. But what happens to their playing the game on the level if 10% of them go out and hit below the belt?

You have a coal situation where everything has been going along

pretty well for two years; you did not have any labor troubles and you won't have them if the present coal code provisions are carried on. What would you do as a miner, if your individual company, the individual company you are working for, went out and broke the present coal code procedure?

In other words, it all comes squarely back to spot news outside of Washington. What is going to happen and what is happening today? Are there any of the garment trade people in the City of New York who cut their wages from twelve dollars minimum to eight dollars today? That is where your spot news is.

Are there any factories in New York or anywhere else this morning that said to the girls, "Instead of going home at five o'clock this afternoon, we have a lot of rush work on. You are going to stay until nine o'clock tonight." What are the girls going to do? Are they going to walk out at five o'clock and lose their jobs? That is where your spot news is for the next few days in this country. That is the way I would write that story. That is as far as I can go today, but that is how I would write it.

Q Mr. President, are you going on the air?

THE PRESIDENT: Never thought of it.

Q They asked you also in that resolution, I believe, Mr. President, that you yourself ask for cooperation.

THE PRESIDENT: That has already been done in the statement by Mr. Richberg which I approved.

Q Have you talked to anyone concerning Congressional action to limit the power of the Supreme Court, as can be done under the Constitution?

THE PRESIDENT: No. Oh, I have had -- this is the batch since nine o'clock this morning, but I suppose that we have had about fifty different

suggestions. They go all the way from abolishing the Supreme Court to abolishing the Congress, and I think abolishing the President. That is so as to make it complete. (Laughter)

Q Mr. President, what did you tell the oil men who came in today? That looks like a spot break here.

THE PRESIDENT: I told them to go up and have a talk with Congressman Rayburn.

Q Mr. President, are you willing to comment any on the Guffey Coal Bill.

THE PRESIDENT: No.

Q Mr. President, has it been decided whether you will try to get any legislation this session? Has that decision been made?

THE PRESIDENT: No.

Q I mean on this NRA situation.

THE PRESIDENT: Well, of course -- I guess we won't discuss that yet. (Laughter) That is not yet spot news.

Q Is there any possibility of your attending the dedication of the Cape Cod Canal Bridge on June 22?

THE PRESIDENT: June 22, is it? I didn't know that. That is the day after the New London races which I hope to attend. I might try to do it. I did not know about it at all.

Q In that connection, could you tell us your plans for tomorrow, Decoration day?

THE PRESIDENT: Decoration Day I am going out to the stand to watch the parade for half an hour, and then I will continue to see lawyers, editors, eminent lawyers and eminent other people the rest of the day.

Q Any likelihood of General Johnson's returning to official life?

THE PRESIDENT: I never heard of it. Don't get excited about this Johnson story at all because, after all, that is not spot news, it is what I

call "spotty" news. In other words, it is really true that I have seen in the last few days about 25 or 30 people who, all of them, have knowledge about NRA, and I am getting them in to talk things over. Johnson is one. Frankfurter is one and Paul Block, who I had at lunch today, and so forth. I have talked to Congressional leaders and I have talked to a good many people from all over the country, so it is not a case of picking out any one individual. The one individual would not be any news, you would have to list them all.

Q Would you be able to hazard a guess as to when there will be news on the subject here?

THE PRESIDENT: No, get the news on the outside first.

Q Richberg indicated his intention to resign on June 16.

THE PRESIDENT: That is something we have not discussed. In other words, the personalities do not enter into this picture at all, one way or the other, yet.

(The Press Conference adjourned at 4.10 P. M.)

CONFIDENTIAL
Press Conference #209,
Executive Offices of the White House,
May 31, 1935, 11.00 A.M.

THE PRESIDENT: What is the news?

Q (Mr. Stephenson) That's what we want.

THE PRESIDENT: Have you any questions to ask?

Q What did you do yesterday outside of seeing Mr. Richberg?

THE PRESIDENT: I saw lots of people. I telephoned to a lot more, and I am continuing to do it.

Q Do you care to comment any on the N. R. A.?

THE PRESIDENT: Well, Steve, if you insist. That's an awful thing to put up to a fellow at this hour of the morning, just out of bed. Suppose we make this background and take some time because it is an awful big subject to cover and it is just possible that one or two of you may not have read the whole twenty-eight or twenty-nine pages of the Supreme Court Decision. I have been a good deal impressed by -- what shall I call it? the rather pathetic appeals that I have had from all around the country to do something. They are very sincere as showing faith in Government -- so sincere that you feel in reading them -- and so far there have been somewhere between two and three thousand by letter and telegram and I haven't seen this morning's mail yet -- so sincere that you feel the country is beginning to realize that something in the long run has to be done. And they are all hoping that something will be done right away. I think probably the best way to illustrate it is to read you just a few telegrams that came out of this huge pile. They are all from

businessmen, every one. I only took out the telegrams from businessmen. And they illustrate pretty well that the information that they have received since Monday through the press and through the radio has failed to explain to them the implications of the Supreme Court's Decision. In other words, they are groping and they have not yet had information from either the press or the radio or from me, which would put this situation in plain, lay language.

Well, for instance, here is one from Indiana. A state association of small -- well, they are drugstore people. They start off: (reading)

> "We commend you for what you have done to protect the small businessman from ruthless destructive trade practices. We hope you will continue your sincere efforts to the end that Constitutional legislation be enacted that will save the small businessman from eventual extinction."

In other words, "Mr. President, do please get some Constitutional legislation that will save us."

Here is one from Jackson, Mississippi. This is another association of small businessmen. (Reading)

> "Stabilization of business through codes has been of untold value to America. We cannot urge you too strongly to seek some plan to further the great work. Unless the use of loss leaders by chain store vultures is prohibited the small independent merchants will be the greatest sufferers."
>
> Here is one from New York. (Reading)
>
> "I respectfully appeal to you to issue a proclamation to uphold the NRA and I suggest that the same be brought to the people for a vote. A crisis exists. Congress represents the electors and this will give you full power."

I am just giving you this to show the state of mind of people in

the country because the situation has never been explained to them as yet.

Here is a man from Hastings. He says: (reading)

"Suggest you get button out. 'I am for the N.R.A.'"

That is his solution.

Here is a man from Westchester County. He says: (reading)

"My business was well on the way to recovery under the NRA cigarette and cigar code. All indications point to conditions more chaotic than when you took office. Prices are being ruthlessly slashed. I, like all other small retailers, am keeping my faith in you to keep me from losing my business. Save the people."

In other words, "Mr. President, please save me."

Here is another man: (reading)

"Sincerely hope that you may be able to do something to replace the National Recovery Act in a legal form. Gladly admit that before the birth of the Act our business was very far below par and because of a code in our industry we made money in the past year which under the new conditions we cannot in the future. It would be a shame at this late date of the chiselers which you so properly dubbed them early in your Administration won this great battle. I would hate ever again to see Wall Street and utilities in control of the Government of the United States. I heard one hotel manager today remark now that the Act has been temporarily voided he would not have to pay code prices. He would make money in his business by paying his bell boys $3.00 a week and so on down the line."

In other words, "Please do something to re-establish the codes."

Here is one from Iowa: (reading)

"We urge constructive legislation for the protection of the small businessman. We feel such legislation is imperative if he is to survive."

Here is one from New York: (reading)

"The battle is on. Retailers demanding their

pound of flesh. Next step sweat shop labor competitions. In the name of my hundred employees and our investment we beseech you to restore NRA."

Here is one from Georgia: (reading)

"Respectfully call your attention to section of Constitution referring to appellate power: 'The Supreme Court shall have appellate jurisdiction both as to law and fact, with such exceptions and under such regulations as Congress shall make.' Suggest act establishing compulsory standard of labor relations and fair trade practices for all industries substantially affecting interstate commerce and creating special court with exclusive jurisdiction thereover and excluding appellate jurisdiction of the Supreme Court."

That's from a rather prominent lawyer in Atlanta who is also in business. That is another angle -- another suggestion.

Here is one from Galveston, Texas: (reading)

"We feel that some law meeting the objections of the Supreme Court should be passed immediately to take the place of NRA. If this cannot be done by Federal law then think you should urge all states to pass laws to take care of this."

That is another suggestion. That is the forty-eight states man.

Here is one from White Plains: (reading)

"I beg to submit following suggestion for making NRA constitutional. Congress has unlimited power regarding income taxes. Make NRA technically voluntary under Government sponsorship. Increase corporation income tax rate say 25 per cent. Allow NRA cooperating corporations 25 per cent deduction on ground adherence reduces federal relief costs."

That is another one.

Here is one from New York: (reading)

"Suggest the Government issue new Blue Eagle to all voluntary adherents to codes."

And then he goes on with another suggestion: (reading)

"That Government, states and cities agree to buy only from holders of new Blue Eagle and that the public be asked to pledge themselves to buy only from holders of the new Blue Eagle."

Here is another one from Texas: (reading)

"In order to give business a proper opportunity to show its ability to serve customers and employment of labor we suggest you advance legislation for a permanent NRA. On this basis you will support economic recovery."

He wants a new NRA.

Here is one from Pittsburgh, from another Code Authority in which they say they will observe the fair trade practice provisions of the code, as well as the maximum hours and minimum rates of pay provided therein -- and he read a good many of these telegrams in the papers and they use the first part of the telegram and not the last for most of them go on and say, "Until there are such changes in conditions as may render it inadvisable to do so."

Here is one from Islip that says: (reading)

"Study of the Supreme Court's opinion does not seem to justify fright. Simple adherence to the Constitution through new legislation can preserve NRA values and at the same time get rid of its errors."

I only have two or three more. Here is another one: (reading)

"The decision of the Supreme Court abolishing NRA has automatically terminated the FACA which governed our industry."

This is from the Wine and Spirits Institute and they want legislation which will continue the work of the FACA immediately, regardless.

All this new legislation is regardless of the Supreme Court's decision, just new legislation! And they are all good citizens.

Here is another firm: (reading)

"All good citizens are looking to you to exercise whatever power is at your command to prevent business chaos which seems inevitable following Supreme Court decision. Already --"

and then mentioning the name of a very large store --

"and many smaller people are rashly cutting prices."

Q Do you mind telling us the city from which that came?

THE PRESIDENT: I had better not because you might locate the store.

(Laughter)

Here is one from Pennsylvania: (reading)

"I hope your Congress is intelligent enough to quickly come through with a new program that will definitely make your efforts a success and sustain all the good that has been brought about."

That is from a printing company.

Here is another one: (reading)

"Our business crippled by the decision. Chiselers already at our throats and have begun choking us. Need immediate action."

Here is another one from a Massachusetts small operator in the candy business: (reading)

"Price cutting tactics have returned. We in this business require protection."

Here is one from New Jersey: (reading)

"So far all laws have been made for protection of property rights. I firmly believe that if you will incorporate in a constitutional amendment the human rights program --"

and so forth and so on.

Here is one from Pennsylvania: (reading)

"As the Constitution confers no authority expressed or implied upon the Supreme Court to declare Act of Congress unconstitutional would not the

decision that the NRA is void be an excellent reason and this an excellent time for repudiation of such action by the Court?"

And so forth and so on.

I suppose there are several thousand along the same line, mainly from businessmen.

Q In connection with the suggestion they make, I heard some time ago that there was some suggestion made of a Federal Incorporation Law.

THE PRESIDENT: I had one or two along that line, too.

Q Has that been taken up at this time?

THE PRESIDENT: All of these have been taken up.

Now, coming down to the decision itself. What are the implications? For the benefit of those of you who haven't read it through, I think I can put it this way: that the implications of this decision are much more important than almost certainly any decision of my lifetime or yours, more important than any decision probably since the Dredd Scott case, because they bring the country as a whole up against a very practical question. That is in spite of what one gentleman said in the paper this morning, that I resented the decision. Nobody resents a Supreme Court decision. You can deplore a Supreme Court decision and you can point out the effect of it. You can call the attention of the country to what the implications are as to the future, what the results of that decision are if future decisions follow this decision.

Now, take the decision itself. In the Schechter case the first part of it states the facts in the case, which you all

know. Then it takes up the code itself and it points out that the code was the result of an Act of Congress. It mentions in passing that the Act of Congress was passed in a great emergency and that it sought to improve conditions immediately through the establishing of fair practices, through the prevention of unfair practices, and then goes on in general and says that even though it was an emergency, it did not make any difference whether it was an emergency or not, it was unconstitutional because it did not set forth very clearly, in detail, definitions of the broad language which was used in the Act. In fact, it says that it makes no difference what kind of an emergency this country ever gets into, an Act has to be constitutional. Of course, it might take a month or two of delay to make an Act constitutional and then you wouldn't know whether it was constitutional or not -- you would have to do the best you could.

Now, they have pointed out in regard to this particular Act that it was unconstitutional because it delegated certain powers which should have been written into the Act itself. And then there is this interesting language that bears that out. It is on page eight. We are told that the provisions of the statute authorizing the adoption of the codes must be viewed in the light of the great national crisis with which Congress was confronted. (Reading)

> "Undoubtedly, the conditions to which power is addressed are always to be considered when the exercise of power is challenged. Extraordinary conditions may call for extraordinary remedies. But the argument necessarily stops short of an attempt to justify action which lies outside the sphere of constitutional authority. Extraordinary

conditions do not create or enlarge constitutional power."

Of course, that is a very interesting implication. Some of us are old enough to remember the war days -- the legislation that was passed in April, May and June of 1917. Being a war, that legislation was never brought before the Supreme Court. Of course, as a matter of fact, a great deal of that legislation was far more violative of the strict interpretation of the Constitution than any legislation that was passed in 1933. All one has to do is to go back and read those war Acts which conferred upon the Executive far greater power over human beings and over property than anything that was done in 1933. But the Supreme Court has finally ruled that extraordinary conditions do not create or enlarge constitutional power! It is a very interesting statement on the part of the Court.

However, the question of the delegation of legislative power is not so very important in this particular case because the Supreme Court has at least intimated that in so far as the delegation of power was concerned, it could have been in 1933 in this emergency -- the language of the Act could have been so improved as to give definite directions to administrative or quasi-judicial bodies and in that respect it refers to the methods already used in the case of the Federal Trade Commission and cites that with approval.

In other words, for the future the delegation of power is not an unsurmountable object, and undoubtedly an Act could be written which would in general conform to this opinion of the Supreme Court as to delegated powers -- get that! So that is

not the most serious implication yet.

However, you come down to something else which is the most important implication and that relates to Interstate Commerce.

Before I go on to the other point there is one interesting paragraph on page eighteen in regard to the delegation of powers. (Reading)

> "Section 3 of the Recovery Act is without precedent. It supplies no standards for any trade, industry or activity. It does not undertake to prescribe rules of conduct to be applied to particular states of fact determined by appropriate administrative procedure. Instead of prescribing rules of conduct --"

It only prescribed, if you remember, objectives to be sought --

> "-- it authorizes the making of codes to prescribe them. For that legislative undertaking, section 3 sets up no standards, aside from the statement of the general aims of rehabilitation, correction and expansion described in section one. In view of the scope of that broad declaration, and of the nature of the few restrictions that are imposed, the discretion of the President in approving or prescribing codes, and thus enacting laws for the government of trade and industry throughout the country, is virtually unfettered. We think that the code-making authority thus conferred is an unconstitutional delegation of legislative power."

Of course, there is a good deal said in the opinion about the imposing of codes. As I remember it, there was only one code imposed and that was the Alcohol Code. I don't think there was any other code imposed by Executive Order.

Now we come down to this big thing. The implication of the provisions as applied to intrastate transactions. Why is it -- let me put it this way -- why is it that so many of these telegrams are futile? Why is it that so many of these letters and telegrams show that the senders do not realize what the rest of this decision means? Let's put the decision in plain lay language

in regard to at least the dictum of the Court and never mind this particular sick chicken or whatever they call it. That was a question of fact but of course the Court in ruling on the question of fact about these particular chickens said they were killed in New York and sold and probably eaten in New York, and therefore it was probably intrastate commerce. But of course the Court does not stop there. In fact the Court in this decision, at least by dictum -- and remember that the dictum is not always followed in the future -- but at least by dictum the Court has gone back to the old Knight case in 1885, which in fact limited any application of interstate commerce to goods in transit -- nothing else!

Since 1885 the Court in various decisions has enlarged on the definition of interstate commerce -- railroad cases, coal cases and so forth and so on, and it was clearly the opinion of the Congress before this decision and the opinion of various attorneys general, regardless of party, that the words "interstate commerce" applied not only to an actual shipment of goods but also to a great many other things that affected interstate commerce.

It went so far, for example, that I might cite you a case that came up when I was Governor of New York. We had a little branch railroad that ran from Flushing up to Port Jefferson. It was a little branch of the Long Island Railroad, and the Long Island Railroad wanted to abandon it. The railroad was not only in the State of New York but it was confined to Long Island. It was a little feeder but a good many commuters came in on that

road -- a good many thousands rode over it every day but they wanted to abandon it, and they went to the Public Service Commission of the State of New York and said, "We want to abandon this little eight or ten-mile road," and the Public Service Commission of the State of New York said, "You can't! There are too many people dependent on this little branch." And the Long Island Railroad said, "We are very sorry, Mr. Public Service Commission of the State of New York, but we will go to Washington."

And they went to Washington and they went to the Interstate Commerce Commission and the Interstate Commerce Commission under delegated power, delegated to them by the Congress, ruled that the little eight-mile feeder on Long Island was intimately connected with interstate commerce -- that the Interstate Commerce Commission, the Federal Government, had the right to close it up. That road was wholly within the State. But theirs was a delegated power and they held that the Federal Government had the right to say that it was so important to interstate commerce and so directly affecting it that it could be closed up. In other words, the Federal Government could terminate it.

The whole tendency over these years has been to view the Interstate Commerce clause in the light of present-day civilization. The country was in the horse and buggy age when that clause was written, and if you go back to the debates on the Federal Constitution, you will find in 1787 that one of the impelling motives for putting in that clause was this: There wasn't much interstate commerce at all -- probably 80 or 90%

of the human beings in the thirteen original states were completely self-supporting within their own communities. They got their own food, their own clothes; they swapped or bought with any old kind of currency because we had thirteen different kinds of currency. They bought from their neighbors and sold to their neighbors. However, there was quite a fear that each of the thirteen states could impose tariff barriers against each other and they ruled that out. They would not let the states impose tariff barriers but they were afraid that the lawyers of that day would find some other method by which a state could discriminate against its neighbor on one side or the other, or discriminate in favor of its neighbors on one side or the other. Therefore the Interstate Commerce clause was put into the Constitution with the general objective of preventing discrimination by one of these Sovereign States against another Sovereign State.

They had in those days no problems relating to employment. They had no problems relating to the earning capacity of people -- what the man in Massachusetts earned, what his buying power was, had in those days no relationship. Nobody had ever thought of it, of what the wages were or the buying capacity in the slave-holding states of the South. There were no social questions in those days. The question of health on a national basis had never been discussed. The question of fair practice had never been discussed. The word was unknown in the vocabulary of the founding fathers. The ethics of the period were very different from what they are today. If one man could skin a fellow and get away with it, why, that was all right.

In other words, the whole picture was a different one when the Interstate Commerce clause was put into the Constitution than it is now. Since that time, because of the improvement in trahsportation, because of the fact that, as we know, what happens in one state has a good deal of influence on the people in another state, we have developed an entirely different philosophy. The prosperity of the farmer does have an effect today on the manufacturer in Pittsburgh. The prosperity of the clothing worker in the City of New York has an effect on the prosperity of the farmer in Wisconsin, and so it goes. We are inter-dependent -- we are tied in together. And the hope has been that we could, through a period of years, interpret the Interstate Commerce clause of the Constitution in the light of these new things that have come to the country, that under the Interstate Commerce clause we could recognize not only by legislation but by the upholding of that legislation by the courts that a harmful practice in one section of the country could be prevented on the theory that it was doing harm to another section of the country and that was why the Congress for a good many years, and most lawyers, have had the thought that in drafting legislation we could depend on an interpretation of the legislation that would enlarge the definition of interstate commerce to mean those matters of direct interstate commerce and also those matters which indirectly affect interstate commerce.

The implication, largely because of what we call obiter dicta in this opinion, the implication of this opinion is that we have gone back, that the Supreme Court will no longer take

into consideration anything that indirectly may affect interstate commerce; that hereafter they will decide the only thing in interstate commerce that they can permit Federal jurisdiction over is goods in transit plus, perhaps, a very small number of transactions which would directly affect goods in transit. Furthermore, they have quoted with approval -- that is, before I leave that goods in transit -- they say on page 19: (reading)

> "(1) Were these transactions 'in' interstate commerce? Much is made of the fact that almost all the poultry coming to New York is sent there from other States" . . . "When defendants had made their purchases, whether at the West Washington Market in New York City or at the railroad terminals serving the City, or elsewhere, the poultry was trucked to their slaughterhouses in Brooklyn for local disposition. The interstate transactions in relation to that poultry then ended."

Then to come to the next point, they take one very interesting stand; first, they talk about necessary and well-established distinctions between the direct and indirect effects. They quote a number of cases and finally come down to the quotation of Industrial Association against the United States at the top of Page 23. They say:

> "'The alleged conspiracy and the acts here complained of, spent their intended and direct force upon a local situation -- for building is as essentially local as mining, manufacturing or growing crops -- and if, by resulting diminution of the commercial demand, interstate trade was curtailed either generally or in specific instances, that was a fortuitous consequence so remote and indirectly as plainly to cause it to fall outside the reach of the Sherman Act.'"

Now, that is interesting because the implication is this: We have in this country about five major human activities. One is transportation and that is not listed here. The other four

are construction in the first instance -- I suppose the theory is that the building, even though the materials come from other states and none of the materials come from the locality of the building, that the building is part of the land and therefore that nothing entering into the erection of that building can have anything to do with the Interstate Commerce clause of the Constitution. The next, the third large occupation, is mining. That is to say, the taking of coal, oil or copper or anything else out of the ground. The implication there is that no matter where the coal or oil or copper goes it cannot be considered to have any relationship to interstate commerce because it came out of one place. It was a part of a place or locus.

Another great occupation is manufacturing, and the implication is that if I manufacture at Hyde Park, New York, let us say, a national article, such as a national brand of tooth paste or a national brand of automobiles, if I am Henry Ford, while I only sell a few tubes of tooth paste or four or five cars in the place of manufacture at Hyde Park, and despite the fact that the rest are sold in interstate commerce, the actual manufacturing itself, in the light of this opinion, seems to be so closely tied to the actual factory that it does not make any difference where the goods go and therefore the Interstate Commerce clause of the Constitution cannot apply to any of the elements of the manufacturing at that place, either to materials that may come from other states, to the conditions that obtain in the factory, to the wages paid or to the unfair practices that I as a manufacturer may be engaged in.

And then finally you have a fifth great occupation of human life which is the growing of crops and it evidently does not make any difference whether after I grow my wheat it is put in an elevator in a different state, perhaps to be commingled with other wheat and sold in Liverpool, or New York, or Germany, or in another state of the Union -- it doesn't make any difference. The fact is that the wheat was grown in one place and therefore the growing of crops cannot be considered in any shape, manner or form as coming under the Interstate Commerce clause of the Constitution. Perhaps wheat actually in transit under this decision may come under it. But it could not if it were in storage, for example, in a bin, because there it would be tied to a definite locality.

And so the citation of this does bring us up rather squarely in the country as to the big issue and how we are going to solve it. The big issue is this: Does this decision mean that the United States Government has no control over any national economic problem?

Well, the simple example of that is crop adjustment. Are we going to take the hands of the Federal Government completely off of any effort to adjust the growing of the national crops and go right straight back to the old thought that every farmer is a lord of his own farm and can do anything he wants, raise anything,any old time, in any quantity, and sell any time he wants? You and I know perfectly well that if we abandon completely crop control -- I don't care whether it is the present method or, let us say, the McNary-Haugen method, because, after

all, that is a Federal method, too -- if we are going to abandon any Federal relationship to a crop, we will have thirty-six-cent wheat and you can't stop it. Under present world conditions we will have five-cent cotton -- that is obvious.

And then you come down to the next series of things -- manufacturing. We have tried to improve the economic conditions of certain forms of manufacturing. I am not talking about the social conditions now. I am talking about the economic conditions, giving to manufacturers a chance to eliminate things that we have had national questions as to whether they are fair or not. For example, the chain stores going into little communities or big communities all over the country and starting the system of loss leaders, and of course nobody who does their own marketing -- and all you ladies of the Press will appreciate this -- knows perfectly well that where you have the loss leader system and are trying to get along on a budget, you are going to look into the chain store window and see what the loss leader is that day. You may get a can of peas for fourteen cents instead of eighteen cents; naturally you wait and buy the loss leader. The chain store can afford to put out loss leaders, but the independent grocery story cannot.

A number of states -- and here we come down to the last question -- have attempted to take away the privileges or the advantages that come to very large nationwide businesses, by imposing special taxes on chain stores, but only a few states have done it. And that is a very good illustration of the difficulty of correcting economic conditions by forty-eight separate

actions. We attempted to do it in the codes by getting industry itself to write codes that would eliminate loss leaders, and they did, and as a result the flow of bankruptcies of small stores throughout the country, which was under way two years ago, was stopped. And the volume of telegrams that has come in today leads one to believe that they again face, a great many of them, bankruptcies, or at least they think they do. The other example is that of a department store which puts in a book department and sells all the latest detective stories that retail ordinarily at $1.50 -- I ought to know because I read them -- for ninety cents. Up to the time that their code went through, bankruptcies of small book stores throughout the country where these practices were engaged in were increasing. They were being put out of business because they could not afford to sell $1.50 books for ninety cents. The big department stores could afford to do it because people who go into that department to save sixty cents on a detective story were undoubtedly buying a good many other things in that department store and the store was able to make up the loss. Now all that seems to be out of the window. We made a very sincere effort to eliminate things that were called unfair trade practices, not only because they were hurting little fellows, but also because they were giving advantages to people with lots of capital or with nationwide systems -- advantages over smaller men or local men, and it seemed to be going pretty well. That was done under the general theory that because these goods came from every part of the United States there was a rather direct

implication that they affected the internal commerce of the United States as a whole, and therefore came under the Interstate Commerce clause.

Then we came down to the mines. There have been a number of cases about mines but the implication in this quotation is that mines and mining do not come under interstate commerce. It is purely a local thing no matter where the copper or the oil or coal goes. It is rather interesting, I think, that there are former decisions of the Supreme Court which have held much more liberally in labor cases, mining cases where people have tried to get an injunction against labor, and in those cases the Supreme Court has tended, up to the present time, to approve a mining injunction on the ground that the coal was going to go into interstate commerce.

This case, however, seems to be a direct reversal in that the shoe is on the other foot and that where you try to improve wages and hours of miners the coal suddenly becomes a purely local intrastate matter and you can't do anything about it.

Those are the important human occupations affected in this decision, the mining and manufacturing and growing of crops -- the important ones.

Well, what does it do? It seems to me it brings -- oh, I suppose you will want to say an issue. I accept the word "issue" on one condition and that is that you make it very clear that it is not a partisan issue. It is infinitely deeper than any partisan issue, it is a national issue; yes, and the issue is this, going back to these telegrams that I have been reading to you: Is

the United States going to decide, are the people of this country going to decide that their Federal Government shall in the future have no right under any implied power or any court-approved power to enter into a national economic problem, but that that national economic problem must be decided only by the states?

The other part of it is this: Shall we view our social problems -- and in that I bring employment of all kinds -- shall we view that from the same point of view or not, that the Federal Government has no right under this or following opinions to take any part in trying to better national social conditions? Now, that is flat and that is simple!

If we accept the point of view that under no interpretation of the Constitution can the Federal Government Government deal with construction matters, mining matters (which means everything that comes out of the ground), manufacturing matters or agricultural matters, but that they must be left wholly to the states, the Federal Government must abandon any legislation if this decision is followed in future decisions. Thus we go back automatically to the fact that there will not be thirteen governments as there were in 1789 and where none of these questions existed in the country, but we will go back to a government of 48 states and see what happens.

Or we can go ahead with every possible effort to make a national decision based on the fact that 48 sovereignties cannot, in our belief, agree quickly enough or practically enough on any solution for a national economic problem or a national social problem.

When I was in Albany I had on two or three occasions the desire of getting through the Legislature certain bills relating to the improvement of factory conditions and the improvement of labor conditions, and people came to me and said, "If those bills go through we are going to move into Pennsylvania." That gave to the Chief Executive of one state serious concern. Should he force the legislation and let these factories move out of this state into a state that didn't have any restrictions and didn't have nearly as advanced social legislation, or should he go in and leave certain evils that we considered as evils just as they were? In other words, by the returning of all these powers to the states you will unavoidably develop sectionalism. Just imagine what will happen in the case of the cotton textile industry -- the problem of the differential in wage between New England and the South. Less than two years ago that differential was more than five dollars a week in favor of the South. Under the code system it has been cut to two and a half dollars and in all human probability if we had gone on under these code methods the differential would gradually have been cut still further. They were actually working on an additional cut in the labor differential in the cotton textile industry. That, of course, we have had to desist from.

We come down in passing to the question of whether they can now live up to these codes. We hope so -- sure. Everybody hopes that the wage agreements and codes will be lived up to and every effort should be made to have people in every industry live up to the codes and I sincerely hope that everybody will live up to them.

On the other hand, as President, naturally I have to think of what is going to happen to the country if people, some people, do not live up to them. You go back to the same old 90% and 10% we have talked about so often. There are, let's say, 100 of us in this room who are making cotton textiles. Each one owns a mill and out of the 100 there are three or four, that is all, who see an advantage to be gained -- an immediate advantage of quick profit and they cut their wages and increase their hours and go ahead with the stretch-out system beyond the code allowance. What is going to happen to us? Let us say that it happens to be a mill right next to Charlie Hurd's mill. Charlie Hurd, making the same kind of goods, is naturally going to call a meeting and he is going to say, "This fellow over here, Bill Smith, is cutting his wages and increasing his hours and increasing his stretch-out. And I am going broke." Well, we are going to have an awful lot of sympathy for Charlie Hurd and what are we going to do about it? Probably he would say, "Do you think I ought to go broke?" and probably most of us would say, "Why, no; you came 100% right straight through and we will release you from any obligation to keep on with these code practices." He, being human and in order to keep his head above water, will probably try to meet the competition of the other fellow, and we wouldn't blame him one bit. So it is not a question of fighting industry. The great bulk of industry is perfectly sincere and honest in wanting to keep good wages and wanting to keep fair hours, but the problem is going to be: Can they do it by agreement? That is the thing, of course, we cannot tell between Monday and Friday of this week.

But fundamentally it comes down to this: You and I know human nature. In the long run can voluntary processes on the part of business bring about the same practical results that were attained under NRA? Can they do this? I mean, the good results? Of course there have been some bad ones. But I mean the good results. Can it be done by voluntary action on the part of business? Can we go ahead as a nation with the beautiful theory, let us say, of the Hearst press, "At last the rule of Christ is restored. Business can do anything it wants and business is going to live up to the golden rule so marvelously that all of our troubles are ended." I ask you? Do not mention Hearst press because it might be some other papers, too. It is a school of thought that is so delightful in its naivete.

Here is somebody else: "What the Court's decision has done is to bring an end to confusion and to avert a worse condition in the future." I hope that the man who wrote that is right. I hope so.

And so, ladies and gentlemen, we are facing a very, very great national non-partisan issue. We have got to decide one way or the other. I don't mean this summer or winter or next fall, but over a period, perhaps of five years or ten years we have got to decide whether we are going to relegate to the forty-eight states practically all control over economic conditions, not only state economic conditions but national economic conditions, and along with that whether we are going to relegate to the states all control over social and working conditions throughout the country regardless of the fact as to whether those conditions have a very

definite bearing outside of the individual states; in other words, a bearing on the conditions in other states. That is one side of the picture. The other side of the picture is whether in some way we are going to turn over or restore to -- whichever way you choose to put it -- turn over or restore to the Federal Government the powers which vest in the national governments of every other nation in the world -- get that -- the right to legislate and administer laws that have a bearing on and general control over national economic problems and national social problems.

That actually is the biggest question that has come before this country outside of time of war and it has got to be decided, and, as I say, it may take five years or ten years.

This decision seems to be squarely -- if you accept the obiter dicta and all the phraseology of it -- this decision seems to be squarely on the side of restoring to the states forty-eight different controls over national economic and social problems. Now, this is not a criticism of the Supreme Court's decision; it is merely pointing out the implications of it.

In some ways it is probably the best thing that has happened to this country for a long time that this decision has come from the Supreme Court, because it clarifies the issue, and if the press and the radio of this country can make that issue perfectly clear, it will be doing a very great service, because it will mean that the telegrams that I have been reading to you, suggesting every kind of a method of overcoming this, those telegrams won't continue to come in, because all except a very few of them suggest remedies which are wholly and totally outside of the opinion of

the Supreme Court. In other words, they are in violation of that opinion -- nine remedies out of ten are in violation of the strict interpretation of that opinion.

Now, of course I think it is perfectly proper to say further that the implications of this decision could, if carried to their logical conclusion, strip the Federal Government of a great many other powers. Federal Alcohol Control -- well, that is gone -- we know that is gone. This decision did it. Federal Alcohol Control was put in with an objective. At the end of prohibition, when spirits and beer came back, I think everybody, whether on the prohibition side or the anti-prohibition side, believed that the Federal Government should do everything in its power to see that pure liquor and good liquor was offered to the American people. That is not, apparently, a federal power. We have forty-eight nations from now on under a strict interpretation of this decision. Forty-eight nations which will each prescribe a different standard for its own liquor and which are completely powerless to prevent liquor from the next-door state, or ten states away, from coming into its borders. In other words, it is a perfectly ridiculous and impossible situation. It is a very good example of what forty-eight independent nation-control means.

Your next implication relates to certain things that we believe were within the federal power. They have not been definitely outlawed by this decision, but the decision raises a very great question. The Securities Act of 1933 was intended to prevent nationally the issuing of securities to the investing or speculating public under false pretenses. The Act required that, through a central federal

organization securities that were proposed to be issued should have stated the full truth about them. That is all there was -- it was a Truth in Securities Act and it has been working very well. However, securities, I suppose, like a crop, are like manufactured goods and can be held to be issued in one place and bought by the public in one place, and are therefore wholly intrastate.

It does not make any difference whether the securities afterwards go into forty-eight states or not. The issuance and buying in one state, like a crop or a factory, have no character or interstate commerce about them under this decision.

In the same way the decision raises a question with respect to the Stock Exchange Act. After all, the Stock Exchange is just a building in one place -- in one city. There are a good many of them scattered throughout the country. They sell various forms of securities but each one is attached to the ground like wheat or cotton -- like coal or anything else. It raises a question. Then you come down to the A.A.A. itself. I have discussed that. The question is raised by this decision as to whether the Federal Government has any constitutional right to do anything about any crop in the United States, and it suggests by implication that forty-eight states should each have their own crop laws.

You see the implications of the decision and that is why I say it is one of the most important decisions ever rendered in this country. And the issue is going to be not a partisan issue, because I don't think it is a partisan issue for a minute. The issue is going to be whether we go one way or the other. Don't

call it right or left; that is just first-year high school language, just about. It is not right or left -- it is a question for national decision on a very important problem of government. We are the only nation in the world that has not solved that problem. We thought we were solving it, and now it has been thrown right straight in our faces and we have been relegated to the horse-and-buggy definition of interstate commerce.

Now, as to the way out -- I suppose you will want to know something about what I am going to do. I am going to tell you very, very little on that. There will be this afternoon or tomorrow morning an announcement in regard to pending cases. And there will be on Sunday or Monday a further announcement of another step and probably in the next few days there will be a number of announcements which will be along that line. This is only for the next four or five days, along the line of clarifying certain existing situations. Let the bigger things sink in for the next four or five days. So many suggestions have come that I have asked all of the suggestors to send their suggestions to a central source -- the Solicitor General and the Attorney General -- in order that they might be digested. Nobody is writing out anything for me. And Steve (Mr. Early) says it is one o'clock daylight time and we have been talking an awful lot.

Have you any other questions?

Q (Mr. Stephenson) Can we use the direct quotation on that "horse-and-buggy stage"?

THE PRESIDENT: I think so.

MR. EARLY: Just the phrase.

Q You referred to the Dred Scott decision. That was followed by the Civil War and by at least two amendments to the Constitution.

THE PRESIDENT: Well, the reason for that, of course, was the fact that the generation of 1856 did not take action during the next four years.

Q You made a reference to the necessity of the people deciding within the next five or ten years. Is there any way of deciding that question without voting on a constitutional amendment or the passing of one?

THE PRESIDENT: Oh, yes; I think so. But it has got to come in the final analysis.

Q Any suggestion as to how it might be made, except by a constitutional amendment?

THE PRESIDENT: No; we haven't got to that yet.

Q Or a war? (Laughter)

THE PRESIDENT: Just qualifying the issue, that is all.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #210,
Executive Offices of the White House,
June 4, 1935, 5.10 P. M.

Q They said you talked in French to them (the French Ambassador and a group of Frenchmen) this afternoon?

THE PRESIDENT: It was all right. If I did not do it about once a month I would forget it all.

Q Did they bring over the debt?

THE PRESIDENT: The debt? No. (Laughter)

Q What is French for that?

THE PRESIDENT: I am thinking seriously of seizing the NORMANDIE: That's about sixty million dollars. That's something.

Q Yes, we could use it for Press quarters.

Q Yes, that would be a start.

THE PRESIDENT: Gosh, what a mob! You have mimeographed copies of this so you do not have to take it down.

Q How many copies?

THE PRESIDENT: How many copies?

MR. EARLY: Plenty.

THE PRESIDENT: That is all right; you can have two.

Q Phillips says you need a still larger room.

THE PRESIDENT: Are all the Frenchmen here too?

Q No, not yet.

THE PRESIDENT: Not the fifty thousand Frenchmen?

Q No.

Q There are fifty thousand Indians.

Q There will be two hundred and fifty.

MR. DONALDSON: All in.

THE PRESIDENT: I was telling the front row that I had a very nice opening address to the Conference, based on the theory that there were going to be fifty French newspaper men with us today who came over on the NORMANDIE, and I was going to continue the discussion in French for the rest of the Conference. Now my style is very much cramped. I have to go back to English.

I'm going to tell you about two steps, three things really and they are all down in mimeographed form, so you won't have to take notes. I think the mimeographed form will follow substantially the one I am looking at in talking to you.

Today's announcement is confined to the following, in other words all the news that is, as one of the newspapers says, fit to print.

In order to meet the immediate problem relating to the Executive branch of the Government as a result of the Supreme Court decision, two steps, two immediate steps, have been discussed and agreed to. That was as a result of the first Cabinet meeting this morning and later on the discussion with various heads of agencies affected and finally by talking it over with the three Senators and three Members of the House you saw come in here: they were Senators Robinson, Harrison and Wagner and Speaker Byrnes, Chairman Doughton, and Chairman O'Connor.

The first step relates to the operation of the existing National Recovery Administration. As you know, the National Recovery Administration is still a legal agency of the Government. The Supreme Court decision merely said that the codes created under the National Re-

covery Administration were out and therefore we are seeking an amendment by the House of Representatives to the Senate Joint Resolution which Resolution extended the life of the NRA to April 1, 1936. In effect, this amendment would merely do this: it would eliminate from that Joint Resolution the language therein relating to codes because codes, as such, are impossible under the grounds laid down by the Supreme Court, first as to the delegation of power and secondly as to Interstate Commerce. It would remove reference to code-making.

It would continue what remains of the useful functions of NRA which, however, have nothing to do with code-making or the maintenance of fair standards of employment or fair business practices. This action would send the Joint Resolution back to the Senate in a simplified form. In other words it would strike out all questions of codes or the extension of NRA in relation to codes, it would merely extend what might be called the corporate life of NRA as an Administration.

That work of NRA would, between now and next April 1, cover the following: it would bring together and summarize the vast amount of information which is now in the possession of NRA relating to the actual results of the codes during the past year and a half, the effects on employment, the effects of fair trade practices, the effect on prices. It is generally felt that this information is of sufficient value to reduce it to simple, understandable form, for the information of the Congress and the information of the Administration and the information of the public.

The second thing that NRA would continue to do would be to study the effects between now and next April 1 on industry, both employers and employees, of the abandonment by the Government of code enforce-

ment or code requirements as was made necessary by the Supreme Court decision. In other words, they will study, in parallel columns, you might say, the results under code administrations and the results in industry without codes. That again will be of great value in determining next steps.

Furthermore, NRA would, if extended as a corporate entity, as an organization, it will be useful in carrying out the second stage, the second step that I am coming to in two or three minutes. In other words, that second step is a requirement that Government purchases and Government contracts be placed only with corporations or contractors who live up to certain minimum requirements.

The NRA machinery which is in existence in all the major centers of the United States can be used to see that contractors and Government supply people, people who supply things to the Government, live up to the requirements that are proposed for Government contracts of all kinds. In other words, somebody has to see that the contract is lived up to and the NRA organization can be used for that purpose.

Now, the extension of NRA means that there are 5400 people in its employ of whom, as I remember it, 4200 are in Washington and 1200 are in other parts of the country.

Q 4200?

THE PRESIDENT: Forty-two hundred in Washington, I think roughly, and 1200 in other parts of the country.

This extension of NRA, of course, does mean that quite a number of people will be relieved but, on the other hand, it means the retention of a substantial number of them.

In that connection, this seems to be a good opportunity for doing it, I want to record my deep appreciation and that of the country

for the unselfish work which thousands of men and women employed under or in conjunction with the National Recovery Administration have done in the past two years. I want to extend to them my sincere thanks, and I regret the circumstances under which the retirement of many of them from Government service becomes obligatory.

Now, finally, in connection with this first point, I think it should not be assumed -- and I say this so as to avoid raising false hopes -- it should not be assumed by any person, any partnership, any corporation that this proposed legal continuation of the National Recovery Administration from June 16 next to the first of April, 1936, relates in any shape, manner or form to enforcement of working conditions or fair trade practices that formerly existed under codes, because all such requirements were eliminated with the Supreme Court decision eliminating the codes. I don't want anybody to raise false hopes that an extension of NRA in this very, very limited form can have anything to do to circumvent the decision of the Supreme Court. The only exception is that regarding Government contracts which I am coming to in number two.

This other measure which, like the first, must be considered as only a very partial stop-gap, relates to Government contracts and to the use of Government funds. Only a very small portion of industrial production in the United States, probably not over one per cent, is used in Government work. The other 99 per cent of American production is used in private work. Nevertheless, in spite of this small percentage, I feel that the Government should take a practical and definite step to show its good faith in maintaining the larger objectives sought by NRA.

The proposed legislation would authorize a requirement in every

Government purchase, or every Government contract, and in the use of Government loans and grants to States, municipalities or other local Government agencies, that all persons engaged in the production of the supplies or in the carrying out of the contract shall be paid in accordance with minimum-wage and maximum-hour standards and that no person under the age of 16 shall be employed in carrying out the supplies or contracts.

There is another reason for this proposed action and that is this: that the bill not only carries out the moral responsibility of the Federal Government but that it also points the way as an example to private industry and expresses, as forcibly as anyone can, the hope that private industry in all of its branches will follow the lead of the Government.

Like the first measure relating to NRA, however, it does not make much progress toward obtaining the ultimate objectives of National standards for the working population of the United States, nor for National standards which seek to protect honorable employers against the unfair practices of less honorable competitors.

One bill gathers information and lets us know what is going on and the other bill affects the production of about one per cent of industrial production as a whole.

Now, we come down to the third thing which is not very exciting but somebody had to do it. We had the list last week of all of the different agencies that have been set up and which were affected, one way or the other, by the decision because they were set up in part or in whole with the same -- some of them were set up only in part and some were set up wholly under Title I of the National Industrial Recovery Act. There were about sixteen of them. Of these six-

teen, new legislation would be necessary for the continuance of four. This is all down in this mimeographed copy so you don't have to take the whole thing down.

The first is the Federal Alcohol Control Administration. Legislation for a new Federal Alcohol Control Administration is practically ready. Secondly, legislation for the Electric Home and Farm Authority, which has been selling electric gadgets on time payments in the Tennessee Valley, in certain areas of the Tennessee Valley. That is being worked on at the present time. Third, legislation for the continuation of the Central Statistical Board. That is already in the House, ready to be reported out of Committee. The Central Statistical Board, as you know, for the first time brought together all kinds of statistical information of the Government, done by different departments, and has sought to standardize its terms and has sought to get a simple and uniform picture instead of having fifteen or twenty different pictures which seem to vary from each other because they use different terms. Probably in the long run it will save a good deal of actual appropriations by consolidation of the statistical work of the Government.

The fourth is the Petroleum Administrative Board and that question is tied up, not with any special legislation, but with such general oil legislation as Congress decides to pass.

Those are the four whose continuance depends on new legislation.

Then you come down to two agencies which can very easily be continued and will be continued by amendments to Executive Orders. They are the National Emergency Council and the National Resources Board. One of them, the National Emergency Council, relates to the execution of work relief and the other, the National Resources Board,

relates to planning for work relief. They, therefore, both of them, come under the Work Relief Act and a very slight modification of the two Executive Orders keeps them going.

Then there are three agencies which have completed their work and it was planned some time ago that they would go out of business on the sixteenth of June anyway. That was planned a month or six weeks ago. Those agencies are the Committee on Economic Security which helped to draft the Social Security Act last summer and has been continuing through the winter. We also have the Advisory Council on Economic Security which was a brother of the other one. The third is the Special Advisor to the President on Foreign Trade. The other two agencies that Mr. Peek runs, the two Export-Import Banks, continue with Mr. Peek in charge of the banks.

Then there are seven labor boards created under NRA. They have to terminate in their present capacity. They are: The National Labor Relations Board, The Petroleum Labor Relations Board, The Steel Labor Relations Board, The Textile Labor Relations Board, The Work Assignment Board for Cotton, The Work Assignment Board for Silk, and The Work Assignment Board for Wool.

However, I am sending to the Speaker this afternoon a supplemental estimate of appropriations for the Department of Labor for the coming fiscal year to the extent of $600,000. This will enable the Secretary of Labor to conduct additional mediation and conciliation activities which in the past have been a part but only a comparatively small part of the work of these seven boards which have been put out. This will give to the Department of Labor enough money to go ahead with extending the mediation and conciliation work of the Department of Labor. It does not give any additional powers to the

Department of Labor in labor disputes today other than for mediation and conciliation services. It is worth noting, however, that the Wagner Labor Bill, if enacted, would set up new tribunals which would substantially cover the functions heretofore exercised by the seven boards which have gone out of existence.

So that covers the sixteen agencies which were affected by the decision under Section 1 of NRA.

Q Mr. President, you did not mention the Automobile Labor Board. Is that in a different status?

THE PRESIDENT: I don't know. It was not on the list; I will have to find out about it.

Q I assume that it is in the same category.

THE PRESIDENT: I will have to check on it. That was not down.

Q With regard to Government contracts, would you trace that back to the people that the contractors bought from?

THE PRESIDENT: Yes.

Q Probably the easiest way to illustrate that would be cement and coal?

THE PRESIDENT: Yes.

Q Does that one comparison cover the whole business?

THE PRESIDENT: In other words, it does by contract what was formerly done by code.

Q I think it would be more than that.

THE PRESIDENT: Not much, no.

Q Who will manage the curtailed NRA?

THE PRESIDENT: I don't know. It will be something like the same organization they have now.

Q Board or one man?

THE PRESIDENT: I don't know. I have not considered it at all. Have not

taken it up yet.

Q Will you send a message to Congress on this?

THE PRESIDENT: No.

Q What wages or hours will be required under this Government Contract Bill?

THE PRESIDENT: Substantially the hours and wages that are in existence under the codes.

Q The individual codes?

THE PRESIDENT: Substantially the same thing.

Q You said they would apply only to the contract. Supposing a manufacturer was making shirts for the Army, would the minimums and the maximums apply only to that contract or to his whole plant?

THE PRESIDENT: Wait. I will have to look at the bills to give you an answer.

No, the bill reads that in connection with all or any purchases for construction, supplies, material or services, except personal services, made or entered into hereafter by any executive or under the provisions of the Emergency Relief Act, there will be required to be inserted in the proposed purchase order or contract a representation or agreement that all persons in classes of employment designated engaged in the production of such supplies or in the carrying out of the contract have been and will be paid such minimum wages and employed not to exceed such maximum number of hours per week as shall be specified.

Q Then, in carrying out their other contracts, they could disregard the maximum?

THE PRESIDENT: Yes. Also no employee under sixteen years of age will be employed in the production of supplies.

Q Are you giving us copies of that bill?

THE PRESIDENT: No, because it is not in perfect form yet. In any event, it has only been given to the members on the Hill as something for them to work on.

Q Will there be hearings up there before the Committee?

THE PRESIDENT: I don't know.

Q This production of material for work to be done by the contractors, does it go down --

THE PRESIDENT (interposing): It goes down to the sub-contractor.

Q Going up the scale, does it go back to the raw material?

THE PRESIDENT: I don't know. For anybody that wants to make their last editions, there are copies all ready outside. If anybody wants to stay behind and ask more questions, they are welcome to.

Q After next April first, then what?

THE PRESIDENT: How old is Anne?

Q As to purchases of supplies for use under the $4,800,000,000 work relief program, would that 1% figure still hold?

THE PRESIDENT: Not very far off. Maybe a little over.

Q Is it possible under this new bill that any industry might run the risk of violating the anti-trust laws?

THE PRESIDENT: Nothing in this. One relates to the NRA as a corporate entity and the other relates to contracts. It is not the subject of the bill at all.

Q You have described these as stop-gap measures. Does that mean this is all to be done in this session?

THE PRESIDENT: That is all today in the way of news.

Q You mentioned the Wagner Labor Disputes Bill; is that going ahead?

THE PRESIDENT: I think so.

Q Any mandatory legislation for the Federal Trade Commission?

THE PRESIDENT: Not that I have heard of.

Q Mr. President, can you tell us anything about oil legislation?

THE PRESIDENT: I would just as soon tell you the situation with regard

to the oil legislation. It comes down to this and it is being discussed on the Hill. Six of the States have entered into compacts and those compacts in effect are State treaties. They are filed with the Secretary of State here in Washington and when and if they are ratified by the Congress it gives those States, under their treaty-making power with each other, the right to set a quota for oil production.

The chief objection to that is not that it is not good but that it does not cover a great many other States which also produce oil. For instance, in the East and Middle West there are a great many States like New York, Pennsylvania, West Virginia, Kentucky, Ohio and Michigan that are all oil-producing States. They produce a substantial amount of oil, mostly from what they call "strip" wells. Now, they are not included in these compacts at all. The compact-States want no legislation. They want to go ahead and see how this thing works for a year. A good many people on the Hill think that there should be some legislation which would enable the Federal Government to act in case the compact fails, and only in case the compact fails.

Suppose these six States made a compact and one of them failed to live up to it and produced 10 per cent more oil than they had agreed on in the compact. Of course, that would spoil the entire objective and effect of the compact and this legislation that is now proposed would give to a new Petroleum Administration the right to step in only if the compact method fails, and to set a quota and see to it that it was lived up to by all of the oil-producing States.

Q In the same connection, there are a group or groups of people from New England and the midwestern states meeting with Secretary Perkins

on a minimum wage, 40-hour week, child labor compact. Has that come to your attention?

THE PRESIDENT: No.

Q When will you announce the next step?

THE PRESIDENT: I don't know.

Q This week?

THE PRESIDENT: I don't know.

Q Is there a constitutional amendment in contemplation?

THE PRESIDENT: That is all there is today.

Q Is there going to be a Press Conference tomorrow?

THE PRESIDENT: This is in place of the one for tomorrow morning. Let us make the next one 10.30 A. M., Friday.

Q Mr. President, can you give us some light on the Guffey Coal Control Bill? Can you give us your views on that?

THE PRESIDENT: No, because if I gave it on that, I would have to give it on a lot more. However, I think I can say this on the Guffey Control Bill, that a great many people think that it is constitutional and is a way out in regard to one of the most important natural resources that we have and, furthermore, the passage of that bill may be the solution of the employment problem in the coal industry, which seems to be in somewhat critical condition.

Q You say a great many people believe that?

THE PRESIDENT: Yes.

Q Why isn't it a solution with respect to some other industries?

THE PRESIDENT: That is another thing.

Q You would not care to say whether you hold that opinion?

(The President did not answer.)

Q Does this mean you will pay code wages to work relief people?

THE PRESIDENT: No, we have the regular schedule. That is entirely a different subject.

Q Is it the conclusion that you cannot make a code under this decision?

THE PRESIDENT: Absolutely. That is what the Supreme Court said, that you cannot make a code.

(The Press Conference adjourned at 5.30 P. M.)

CONFIDENTIAL
Press Conference No. 211
White House Executive Offices
June 7, 1935, 10.50 A.M.

THE PRESIDENT: I hope you are all making arrangements and will let me know as soon as you can how many people are going up to Hyde Park, because Monday is the beginning of Commencement Week at Vassar and I have got to make arrangements for the boys who are going to help carry the daisy chain. (Laughter)

Q (Russell Young) Steve can carry it himself.

Q (Francis Stephenson) I think the Senator could be on the tail end of it.

Q (Russell Young) If Steve will help me it is all right.

THE PRESIDENT: Besides that, there is no news whatsoever I know of.

Q Mr. President, reviving an old topic, have you any comment to make on the A F of L announcement yesterday regarding NRA?

THE PRESIDENT: I have done no more than read the headlines in the newspapers.

Q (Francis Stephenson) How did you come out on that? (Laughter)

THE PRESIDENT: Well, I read eight headlines so, of course, now I know all about it. No two of them agreed, otherwise it was all right.

Q Did you read a headline that said that Congress expected a message from you on the subject of inheritance taxes?

THE PRESIDENT: I haven't thought of taxes or looked at taxes for a month. I haven't done a thing on it.

Q Does that mean that you are not going to send a message up?

THE PRESIDENT: I don't know. Frankly, I haven't thought about it or looked at it for a whole month.

Q Can you give us your immediate legislative program? There have been stories as to what you told Congress you would like to have.

THE PRESIDENT: In other words you would like to have a list of the so-called "must" bills.

Q And any additions to them.

THE PRESIDENT: It depends on whose stories you have been reading and know what the previous must list was.

Q You had five.

THE PRESIDENT: Of course that wasn't a "must" list, because I was very careful to mention those particular five as desirable things, but there will be others besides the five.

Q Mr. President, what are those five?

THE PRESIDENT: What were they? They were set down in a letter or message.

Q It was a radio speech.

THE PRESIDENT: I guess it was, yes. There will undoubtedly be additions.

Q (Mr. Cromie) What would you say was the social objective of the Administration?

THE PRESIDENT: I am glad to see you back here. (Laughter) Is this going to help in the Canadian election too? Of course that is a terribly difficult thing to talk about, offhand. It would take an hour or two hours or something like that.

The social objective, I should say, remains just what it was, which is to do what any honest government of any country would do; to try to increase the security and the happiness of a larger number of people in all occupations of life and in all parts of the country; to give them more of the good things of life; to give them a greater distribution, not only of wealth in the narrow terms but of wealth in the wider terms; to give them places to go in the summertime -- recreation; to give them assurance that they are not going to starve in their old age; to give honest business a chance to go ahead and make a reasonable profit.

It is a little bit difficult to define it and I suppose that is a very offhand definition, but unless you go into an hour's discussion, it is hard to make it a more definite one for immediately you get into subjects. And I think we are getting somewhere.

Q Would it be possible for us to use that definition in quotes?

THE PRESIDENT: If you will let me read it over first.

Q That is fair enough.

THE PRESIDENT: Before you quote, I will let you use it in quotes if you will give me a chance to revise the English. Get it out for me, Kannee.

I don't think there is any other news. At Hyde Park I am going to do a great many things that have been pushed aside for the last month. About twice a year I get to a point where the old wire basket gets very, very full and at the present time there it is, (indicating), on the side of my desk. That is the wire basket and it is just about up to its maximum. I will do a certain amount of work cleaning that up at Hyde Park and doing a great many other things I have delayed, and I will also do a little reading.

Q We will help you read some of them, sir, if you want to.

THE PRESIDENT: I'd just as soon.

Q Do you have any comment on Governor Marland's request that Congress be asked to ratify the states' oil agreement?

THE PRESIDENT: Didn't I talk about oil the other day?

Q I understand he renewed his request by telegram either

last night or this morning.

THE PRESIDENT: I haven't seen it. I have no objections to the ratification by Congress at all and of course hope it will work, but in a national industry -- what are there, six states in this present compact?

Q I think so.

THE PRESIDENT: As I understand it, there are another five or ten states that produce oil and, as I said before, there ought to be some method of protecting those states and even for protecting the compacting states in case the compact is not lived up to.

Q The anti-trust laws immediately go into effect after the codes expire.

THE PRESIDENT: What?

Q The anti-trust laws will have to be enforced after the codes expire.

THE PRESIDENT: I will have to give you a very offhand opinion on that, and that is that the expiring of the codes means also the expiring of all of the provisions of the codes and therefore you go back, of necessity, to the fundamental statute law.

In other words, do not interpret that as meaning that I am not fully in favor of voluntary codes just so long as voluntary codes do not run counter to statutory law, because we are back to the statutory law and I am sworn to uphold statutory law.

Q Can they agree to voluntary codes under the present anti-trust laws?

THE PRESIDENT: Offhand, I should say yes. There are a great many things that can be voluntarily agreed to that do not violate any provision of the anti-trust law.

Q The Doughton Resolution, introduced yesterday, authorized voluntary agreements under the extension of NRA.

THE PRESIDENT: Anybody can draw up a voluntary code as long as it does not violate statute law. Now, I have no authority to waive statute law under the Doughton Resolution or in the absence of a resolution. You see the point. We people in this room can make a voluntary code.

Q Section 4-A, modified by a clause in 3-A is to the effect that they can get together and go ahead without any prosecution from anti-trust laws so long as they keep within the law.

THE PRESIDENT: They won't interfere so long as they stay within the anti-trust laws.

Q So long as they got together by themselves? Just getting together they would be subject --

THE PRESIDENT: Oh, no. We fellows can meet in this room and make a code. There is nothing in the anti-trust laws against that, so long as that does not --

Q Yes, sir; they can fix prices under certain conditions and do a lot of things under that Section 4-A which they couldn't do without it.

THE PRESIDENT: So long as they do not violate the statute law.

Q Under the code you had some provision for price maintenance. Now such agreement for price making is in restraint of trade and therefore against the anti-trust laws, therefore there could not be any voluntary agreement for price making.

THE PRESIDENT: Not if it is against the anti-trust law. In other words, I cannot waive the law by an action on my part. As to a code which violates the anti-trust laws, the mere approval on the part of the President is no go.

Q In previous administrations they refused to prosecute.

THE PRESIDENT: Sometimes they did.

Q If this oil compact was enlarged to include all oil producing states, would it be sufficient?

THE PRESIDENT: I could not quite hear.

Q If this were enlarged to include all the oil producing states, would that take care of the situation without national legislation?

THE PRESIDENT: Yes, if lived up to.

Q Mr. President, have you reached any decision yet as to the constitutionality of the reciprocal tariff

agreements in the light of the NRA decision?

THE PRESIDENT: I don't think there is any question, personally. It depends of course on which lawyer you hire.

Q Mr. Vandenberg, how would he do? (Laughter)

MR. STEPHENSON: Thank you.

CONFIDENTIAL
Press Conference #212,
Aboard the Presidential Special Train,
en route West Point to Washington, D. C.,
June 12, 1935, 3.00 P.M.

THE PRESIDENT: I do not know anything.

Q Can't you invent something?

THE PRESIDENT: I cannot invent, no.

Q Can't you endorse the Grass Roots Convention?

THE PRESIDENT: I cannot talk.

Q Can't you endorse it fifty per cent? It is like your program.

THE PRESIDENT: I think it is a good program.

Q Now, seriously, they are for job insurance -- what else?

Q The three A's.

Q Old-age pension.

Q Abolition of Child Labor -- seriously.

THE PRESIDENT: Good.

Q They did not attempt a farm program.

THE PRESIDENT: I have not had a chance to read any papers except the headlines of the Washington Times.

Q They are non-political, I think. (Laughter)

THE PRESIDENT: They said I left at 9.10 A.M. I didn't; I left at 8.55. That is an awful hour of the morning to get started.

Q I read all the papers.

THE PRESIDENT: You got up at 5.00 A.M.

Q Mr. President, we are fully aware of the fact that you do not comment on pending legislation. Do you want to break your rule this time and talk about the holding company bill?

Q It is no longer pending.

THE PRESIDENT: Half pending -- pending in the House.

Q There was a pretty interesting roll call yesterday.

THE PRESIDENT: Yes.

Q June sixteenth will soon be here. Have you any plans of who will be in charge of the new N. R. A.?

THE PRESIDENT: No, I have not given it any thought.

Q You really don't need the same kind of man --

THE PRESIDENT: (interposing) No, half of the work is over. Half of it has gone. I do not know -- I have not given it any consideration at all.

Q There were some reports that Leon Henderson will take Richberg's job?

THE PRESIDENT: That probably was influenced by the fact that he was in charge of the Planning Division so-called. Of course the new planning will be different.

Q In view of the pretty good legislative record they have had and in view of the fact that most of the main things you have asked for are pretty much out of the way, do you want to say anything about adjournment?

THE PRESIDENT: Oh, no.

MR. McINTYRE: He made me a bet.

Q Mr. President, there have been several stories in the papers about Admiral Yates Stirling on Sunday, in which he suggested that the rest of the world should gang up on Russia. I understand that the State Department said he was speaking only for himself and not for them.

THE PRESIDENT: I have not seen the story -- you will have to make this off the record. I talked to Brown (the Naval Aide to the President) this morning and Brown said that several letters had come in and had been

referred to the Navy Department, also that somebody over there had read the story and said that he (Admiral Stirling) did not say that at all.

My impression is that it was just that he said that if certain things happened, such and such other things might result in Europe. I have not read the story, so I do not know.

Q You won't make any comment at all on it?

THE PRESIDENT: No because we do not know yet what we are talking about.

Q How about settling the nice dogfight, that is, the Grass Roots Convention?

THE PRESIDENT: Don't they call it a prairie fire out there?

Q That would be grand.

Q Somebody suggested that it be called the grass widows' convention.

Q Somebody said they missed up on the grass and got stuck in the mud.

Q I would like to ask one thing: Are Herbert Hoover and Frank Knox on the Democratic pay roll?

THE PRESIDENT: Are they? Now, that is something that Jim (Mr. Farley) and I were talking about. Strictly off the record, it is a question of how much longer we can afford to pay them. They have been so successful that they are raising their price.

Q I saw the Postmaster General on the platform this morning and he was eyeing the graduates to see whether they were good Democrats or not.

Q Can you tell us of your plans for the rest of the week -- what you plan to do?

THE PRESIDENT: Yes, I think I can. On Saturday afternoon I am going aboard the SEQUOIA and spend the night at the Jefferson Island Club, which I have been a charter member of since it was started and I have

never seen it.

Q Where is that?

THE PRESIDENT: It is in the middle of Chesapeake Bay.

Q Who organized it, Mr. President? Do you recall who organized it?

THE PRESIDENT: Senator Robinson, Senator Harrison --

MR. McINTYRE: (interposing) I think Hawes was in it.

THE PRESIDENT: Yes, Key Pittman, Millard Tydings and several people from the House. I do not know who is going with me. I will just spend the night there and come back Sunday afternoon.

Q Do you leave from Washington?

THE PRESIDENT: Annapolis.

Q You are not contemplating any Messages to the Congress this week?

THE PRESIDENT: I don't think so; no.

Q Mr. President, I noticed that while we were up in Poughkeepsie General Johnson's name was mentioned as Counsel for the Communications' investigation of American Telephone and Telegraph?

THE PRESIDENT: I do not know anything about it.

Next week, maybe -- large question -- we may go on to New London about Thursday, midnight, to see the races on Friday, then go to Hyde Park on Saturday and Washington on Sunday. Isn't that nice? I am breaking all the bad news at once.

Q One more night on the farm.

THE PRESIDENT: But there is a question mark on that; it depends on how things are in Washington.

Q What are you talking with the Postmaster General about?

THE PRESIDENT: Everything. He is going to, as he does once every two weeks -- he has a pile of things to take up with me, great and small,

about that high (indicating) and that is all that he has left.

Q Anything for us?

THE PRESIDENT: Half of his stuff is humorous -- letters to end chain letters and things like that.

Q I understand the Postmaster General is getting out of the Cabinet and getting out of the Democratic Chairmanship?

THE PRESIDENT: Getting out of which?

Q Postmaster General and Democratic Chairmanship and State Chairmanship.

THE PRESIDENT: State Chairmanship? Did he tell you that?

Q And the Democratic Chairmanship?

THE PRESIDENT: One more strange thing than that has happened. If you will get his head to the light you will see he has got a new crop. (Laughter)

Q Grass roots? (Laughter)

Q Can we officially say that you reached the bottom of a second basket today?

THE PRESIDENT: Yes, that is right; I did a perfectly grand job. The basket is to the bottom except for the mail that came in last night and that I expect to finish before I get to Washington.

MRS. ROOSEVELT: You are optimistic.

THE PRESIDENT: There isn't very much; it is run-of-the-mine stuff now. I did a grand job. I had been working on a Message to Congress while I was there and you don't, any of you, know what it is about.

Q That is something.

THE PRESIDENT: I am not very sure myself, so it is all right.

Q Don't tell us; let us guess for a while.

Q Who are you taking out to the parade (the Shriner's Parade)?

THE PRESIDENT: Let me see, I am having two very distinguished members of my official family, one on the right and one on the left hand. One is the Postmaster General and the other is Joe Kennedy. (Laughter)

Q Is that before or after you walk the burning sands?

THE PRESIDENT: That's right. (Laughter)

Q Can you tell us about this Message, as to when you might expect it to go up?

THE PRESIDENT: I think there will be a Message next week -- a Message. I cannot tell which one.

Q Does that relate to the inheritance tax?

THE PRESIDENT: There might be only one.

Q That does not relate to taxes?

THE PRESIDENT: I cannot tell you; there are all kinds of things. I had the three days at Hyde Park and I am vicious.

Q I want to assure you there won't be any Catholics down there tonight.

THE PRESIDENT: That is it. Now you are talking. (Laughter)

Q How much do you hope to raise with these new taxes?

THE PRESIDENT: Read my Message, the Budget Message. There is quite a lot about it. There is quite a lot about it in the Message.

MRS. ROOSEVELT: Haven't any of you been down to Washington since the Shriners arrived?

Q No.

THE PRESIDENT: I had Steve Early on the telephone last night. You ought to hear his description of Washington.

MRS. ROOSEVELT: It took me nearly half an hour to get from the station to the White House.

Q No taxis to be had.

THE PRESIDENT: No taxis? Are they running again?

Q Yes.

Q These Catholics!

THE PRESIDENT: We ought to have a new Chief of Police there too, tonight.

(Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #213,
Executive Offices of the White House,
June 14, 1935, 4.00 P.M.

THE PRESIDENT: I do not think we have any news at all today.

Q Just a little.

Q The boys are still tired out from carrying that Daisy Chain up at Poughkeepsie.

THE PRESIDENT: It was a heavy chain.

Q They carried it through the taproom. (Laughter)

Q Watch out, that must be an A. P. story.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think there is any news today.

Q Mr. President, last week you told us about the social objective of the Administration?

THE PRESIDENT: Don't make me do another extemporaneous --

Q (interposing) I was wondering whether you would talk about the economic objective.

(Before the President could respond the following question was interposed:)

Q The Attorney General was in today and Secretary Morgenthau. We understand that taxation was discussed generally and money matters. Can you tell us anything about that?

THE PRESIDENT: That guess was 100 per cent wrong. We did not talk about taxation. I am not going to tell you what we did talk about. Otherwise it is all right.

Q Are you taking any action on the protest with respect to Admiral Yates Stirling discussing war with Soviet Russia?

THE PRESIDENT: The Secretary of the Navy is at present discussing it with

the Secretary of State. You will probably get something from the Navy Department pretty soon.

Q What does it mean?

THE PRESIDENT: They are just talking it over.

Q Mr. President, is there any change in the Administration policy toward the expenditure of the 4 billion dollar relief fund?

THE PRESIDENT: No, there has been no change in the policy. There has been so much -- perhaps I had better put it this way, there have been so many hopes disappointed that it is perhaps better to re-define what the primary purpose of the 4 billion dollars was. The primary purpose of the 4 billion dollars was to put 3½ million men to work. Now, we hoped that out of the 4 billion dollars we would not only take care of things like CCC camps and roads and grade crossings and river and harbor works, and so forth and so on, but that we would have a very substantial number of applications from municipalities or states for projects that would be economical -- that is to say, from the point of view of dollars and cents -- within that primary objective.

As these projects came in it became more and more clear that a smaller percentage than we had hoped for would fall within the objective. In other words, to do a very simple piece of arithmetic, if you are going to spread around 4 billion dollars among 3½ million workers, it means that the average amount that you can spend is about $1200 per worker, which $1200 must include overhead and materials. That is a very, very simple question of mathematics.

Now we found, for instance in the case of the CCC Camps, that it would cost just about $1200 per boy. Therefore it fell within the rule.

We found in the case of highways that if we went ahead on what

is called Federal aid highways, which are very expensive two-strip, three-strip, four-strip concrete roads, that the cost per man employed would be $2500.

We also found that in the case of applications of municipalities and other public bodies that the cost per man employed was running away over $1200. Slum clearance alone on any basis, loan and grant or straight loan at a very low rate of interest, would run around $2000 per man. In other words, we have had to --

Q (interposing) Excuse me, was that $2000 a man?

THE PRESIDENT: Yes, and even higher in some cases, depending on the cost of the land.

Therefore, we have had to cut the sail to fit the cloth. We have got 4 billion dollars and we are trying to put 3½ million men to work. We have had to take care of what might be called common-sense and also moral obligations -- we have had to take a very small percentage of the 4 billion dollars to carry on projects that were approved in the past, such, for instance, as the Bonneville Dam, Fort Peck and one or two projects which had been morally obligated but not actually, physically obligated under the previous appropriation such as the Colorado River in Texas which I think was 5 million dollars and the Passamaquoddy project which was a 10 million dollar proposition.

The total of all of these projects which were either started or morally obligated last year or the year before is only a drop in the bucket compared with the 4 billion dollar appropriation. In other words, I think you will find that they run to only 150 or 160 million dollars out of the total appropriation of 4 billion dollars which is, of course, a very, very small percentage.

Now, of course, there have been a few projects approved as, for instance, in the highway money and slum clearance there will be some projects that will run over the $1200 per man, but that means that we have to offset. Let us say, if five of them run to $1500 per man, it means I have got to have five others to the same amount of money that will run $900 per man in order to even it up. It is entirely a question of mathematics.

Q What kind of work?

THE PRESIDENT: Any kind of work which will gain the primary objective of $3\frac{1}{2}$ million men to work with 4 billion dollars.

Q What dictated the choice of 4 billion dollars in the first place? I mean, rather than 5 billion or $3\frac{1}{2}$ billion?

THE PRESIDENT: Well, one very good reason was in order not to overrun the budget more than we possibly could. The other was to choose projects where we could spend the money within the year. If we had had a great deal more money, it would seem obvious that a great many projects which would take three, four, five or six years to build would have been put in for and we would not have spent the money. What we are trying to do is get the money out.

Q How about grade crossings? Would that be possible under the $1200. rule?

THE PRESIDENT: I have not had a report on the grade crossings but they will run, without any question, over that, therefore they will have to be offset by other projects costing less than $1200.

Q Are there an abundance of projects under $1200.?

THE PRESIDENT: A great many.

Q Do they come into the class of the old C. W. A. projects?

THE PRESIDENT: No. Some states have very excellent statewide plans. I

mentioned before the States of Alabama and Indiana. They have statewide plans of useful work and the quotas of those States will take care of the number of people on the unemployed rolls in those States. A good many states have not got any statewide plans and that is where we have got to go in and develop plans for them, but probably a majority of states today have pretty good plans -- it is merely a question of going into details.

Q You have not despaired of putting the 4 billion dollars out to include the 3½ million men?

THE PRESIDENT: Yes, the objective is the same.

Q There are a tremendous number of applications in for the Army and Navy and they would all appear to be of a contract kind. What is their status?

THE PRESIDENT: Of course they do not get approved.

Q At Quantico, where there is no relief labor at all?

THE PRESIDENT: No, they would not get it unless they could show -- take Quantico, if they can show that the projects there will take all the unemployed within driving distance of Quantico and it would only cost whatever the rate is here, a thousand dollars a man, we probably might approve it, but if it appears that the number of people in the vicinity, who are unemployed, are insufficient --

Q (interposing) All these Government applications would fall under the --

THE PRESIDENT: (interposing) Yes, under the ban. (Laughter)

Q Have you changed your date for reaching the peak?

Q You said about the first of November?

THE PRESIDENT: About the first of November.

Q Can you give us an example of some of these $800. or $900. projects,

specific projects that will be completed?

THE PRESIDENT: I cannot think, offhand. For instance, in the State of Alabama, they have a great deal of work to do in building bridges over creeks, which call for dirt fills and stone fills, and practically the only material necessary is wood planks, girders, et cetera, to put those bridges in. Now, what they expect to do in some of those counties in Alabama, they expect to put some of these men out in the woods, cutting the trees to go in, so you get actual direct employment on the material that is to go in. Almost every county in the State of Alabama needs bridges for highways to go over creeks.

Q Mr. President, on several previous occasions you mentioned Wisconsin, among others, as having an excellent statewide plan. Can you comment on the Wisconsin Senate's failure to approve that plan?

THE PRESIDENT: I did not get that?

Q Last night the Wisconsin Senate turned down the works bill.

Q I understand they are going to make some changes in it. I do not know what the effect would be.

THE PRESIDENT: I do not know. Of course the plan of the Governor of Wisconsin was that they would handle the whole thing under a guarantee and the tentative allocation was made on the basis of action by the Wisconsin Legislature. If it does not go through, we would have to work up a different kind of statewide plan, something like the Indiana plan.

Q Does that mean that housing work is out?

THE PRESIDENT: Oh, my, no. There will be a certain amount of housing work but it will have to be compensated for if it runs over.

Q At the first meeting of the Allotment Committee, they recommended

about a billion dollars of work (projects), a great many of which were in the category you are speaking of. Does that mean that many of those would not be approved?

THE PRESIDENT: That was a pure guess.

Q No, sir; the Advisory Committee on the Works, at the first meeting recommended more than a billion dollars' worth of projects, all this Army and Navy stuff and this --

THE PRESIDENT: (interposing) That must have included $600,000,000. for C. C. C.

Q It did.

THE PRESIDENT: I do not remember the other amounts. I think there was a segregation of $100,000,000. for slum clearance. I think there was a segregation of another hundred million dollars for grade crossings. Get in your minds the difference between "segregation" and "project." We have hung a lot of money up on a hook -- segregated it for a particular class of things. Now, they have to come in afterwards with the (individual) projects and then we take a piece off the hook if the project is a proper one.

Q Mr. President, is it correct to say that the Secretary of the Navy and the Secretary of State will make a report to you on the Stirling affair?

THE PRESIDENT: I do not know. The Secretary of the Navy may give you an indication on it.

Q Are you planning to displace Mitchell (Ewing Y.) as Assistant Secretary of Commerce?

THE PRESIDENT: I think you will have to ask the Secretary of Commerce about that.

Q Anything new on petroleum legislation?

THE PRESIDENT: I have not heard a word about it for a couple of weeks.

Q Senator Thomas of Oklahoma put in a bill today which he says is an Administration bill. Fahy, of the Petroleum Board, has been working with him.

THE PRESIDENT: I have not seen it. Didn't I talk with you about the general theory of oil legislation last week?

Q Yes, sir.

Q It conforms in substance with what you said.

THE PRESIDENT: I have not changed on it at all.

Q Can you tell us anything further on the N. R. A. plans?

THE PRESIDENT: I saw a flash that the thing had gone through.

Q Can you tell us when you will probably sign that N. R. A. bill?

THE PRESIDENT: Just as soon as it comes down. Probably within four minutes.

Q In the N. R. A. setup will there be any provision for continuing the various Code Authorities?

THE PRESIDENT: No, I think not.

Q They will be allowed to lapse as they are?

(The President indicated in the affirmative.)

Q Can you tell us if there is any possibility that an effort may be made to solve the debt impasse between now and next December?

THE PRESIDENT: Oh, that is too far off.

Q There is a discussion which has arisen on the Hill as to whether the ship subsidy bill is an Administration measure. Will you comment on that?

THE PRESIDENT: No. I am having a conference on that. In the first place, I am not very familiar with the bill except that it sets up a Maritime

Authority and my original thought was that it might just as well be set up in the first instance under the Interstate Commerce Commission. I have not talked with anybody about it.

Q If the debtor nations were to offer us payments, would a means be found to exempt them from the --

THE PRESIDENT: (interposing) Oh, that is awfully "iffy."

Q How about the coal conference?

THE PRESIDENT: I thought they told you on the way out. We talked over the situation in regard to the Guffey Coal Bill. Senator Guffey said that he had reasonable assurance that the bill would be taken up in the Senate immediately after the Social Security Bill and, in the House, there seems no probability of great delay. Therefore I expressed the view to Mr. Lewis and the representative of the operators that, as a matter of sound public policy, I hope very much that the strike order would be deferred for a reasonable length of time and I understand that they are going to take action on it tomorrow.

Q Are you in favor of the Guffey Bill?

THE PRESIDENT: In general, yes.

Q Oh, boy! (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #214,
Executive Offices of the White House,
June 19, 1935, 10.45 A.M.

THE PRESIDENT: Good morning, everybody. I think this is going to be the dullest for news on record. I don't know anything.

Q You said that before.

THE PRESIDENT: I know it; it doesn't always work out that way. Who is going to the boat races?

Q Fourteen of us, so far.

Q Are you rooting for Harvard?

THE PRESIDENT: I think I could get a White House Correspondents' crew that would beat the Harvard crew.

Q A 100-yard dash, but no longer than that.

Q You wouldn't tell Franklin that, would you?

THE PRESIDENT: No. (Laughter)

Q You think he would be discouraged?

THE PRESIDENT: Yes.

MR. DONALDSON: All in.

THE PRESIDENT: I just remarked to the Senator (Young) that this would probably be the dullest conference on record. It has got to the point where I am seriously thinking of organizing a White House Correspondents' crew to take part in the inter-collegiate regatta next year.

Q What would you train them on?

THE PRESIDENT: I would put Mac (Mr. McIntyre) and Steve (Mr. Early) on the training end.

Q We could train in the Nelson House Bar.

THE PRESIDENT: I don't think there is any news at all. I am going to

leave on Thursday night unless something blows up in the meantime, spend Friday at New London all day and leave late at night and arrive at Hyde Park Saturday morning and spend the night and come back on Sunday night.

Q Mr. President, were there any collateral reasons for the discharge of young Mitchell besides the one you gave?

THE PRESIDENT: No, none at all.

Q Purely on that one ground?

THE PRESIDENT: Yes.

Q Were you informed as to the details of the laying up of the LEVIATHAN?

THE PRESIDENT: Only in general.

Q You approved it?

THE PRESIDENT: On the statement that it was solely to save the company -- we did it in the case of other companies too -- to save the company from making a certain loss, provided they would take the expected loss, which was figured out, I believe, and spend it on new ships.

Q Was that a ten million dollar loss?

THE PRESIDENT: I don't know.

Q You said last week you were going to see somebody about the Bland-Copeland bill. Did you see somebody about it?

THE PRESIDENT: I haven't and won't be able to until Monday.

Q Have you read the Marine bill at all?

THE PRESIDENT: No; haven't thought about it since we talked about it last.

Q Mr. President, do you care to make any comment on that petition of the seaboard mayors asking for the removal of trade barriers, presented to you a couple of days ago?

THE PRESIDENT: Well, only that as I understood the paper it was a general

endorsement of --

Q (interposing) That's right.

THE PRESIDENT: -- of agreements for the expansion of trade. We are going ahead with them as fast as we can.

Q Is it correct that we may expect some statement from Swanson on Admiral Stirling?

THE PRESIDENT: I haven't heard a word about it. Has anything come from the Navy Department?

Q No.

THE PRESIDENT: You had better ask over there. I haven't heard a word.

Q Have you any further Messages to Congress in mind right now?

THE PRESIDENT: Yes.

Q What are they?

THE PRESIDENT: I don't know when the next Message will go up. You had better stick around. One might go up some time today but I haven't decided and I can't tell you which one it will be.

Q Are you insisting on the so-called "death sentence" section of the so-called utilities bill?

THE PRESIDENT: What do you mean, the "death sentence"?

Q That is the section in the bill requiring some companies to end their existence by 1942 if they did not meet the approval of the Securities Commission. You will remember that some of them wanted to turn that down.

THE PRESIDENT: All I can say is that I am heartily in favor of Section 11.

Q That is the section.

THE PRESIDENT: You see, on these utilities things, there has been more -- I won't use the word I thought of -- printed and written than anybody

can shake a stick at.

Q We can guess what that word is, Mr. President.

THE PRESIDENT: Of course the objective is this and I think probably the easiest way for the public to understand it is something along this line: There are certain holding companies which are wholly intra-state such, for instance, as the Public Service Corporation of New Jersey. I think that is wholly intra-state -- I am not certain -- but it is 95 or 98 per cent intra-state. The Niagara Hudson Company of New York is an intra-state company.

Now, from the operation of this bill, as I understand it, we eliminate the intra-state companies that do business solely within the state.

Then you come down to certain other types of holding companies like, for example, the Associated Gas and Electric Company. Now take in your own minds -- we have talked about this before -- take a sheet of paper and on the bottom you put a lot of little circles -- coming back to my old illustration -- and those represent the operating companies. Say there are 100 of them. In most cases the operating companies are properly capitalized and in most cases they are making good money. Suppose, for the sake of argument, that they are making an average of $7 on $100 investment. That $7 goes up that sheet of paper in a zig-zag line and it goes through, let us say, 33 other circles which are in the middle of the sheet of paper. Those are intermediate holding companies, they are management companies, engineering companies, finance companies, they are supply companies and on the way up through these various zig-zag lines -- most extraordinary document in the world is the organization chart of the Associated Gas and Electric Company --

and by the time the $7 comes up through these 33 intermediate companies and gets to the top company at the top of the page, there isn't $7 left. The $7 has been milked all the way up so that when it gets to the top holding company of all, it may, if it is lucky, represent $4.

Now, the objective of the bill is to eliminate the intermediate companies so that the $7 will go up to the top substantially intact.

I suppose that is the easiest way for the layman to be given a picture of what it is all about.

Q In other words, you have no objection to a holding company in the so-called "first degree" and eliminating all the rest?

THE PRESIDENT: No. But there is one other feature and that is that the holding company in the first degree probably should relate to substantially contiguous territory. Yet that holding company relates to widely disseminated properties all over the United States, it is not a holding company, it is an investment company.

Q Now, you take the North American Company. It operates in Washington, D. C., it operates in Cleveland, it operates in St. Louis. Would it be possible for the North American to divide into three companies, one for each group?

THE PRESIDENT: I don't see why not.

Q Could the North American stock be held by an investment company as long as they did not interfere with the management?

THE PRESIDENT: Yes.

Q In other words, Mr. President, the present investors who hold North American stock, despite the claims of certain officials who have sent out considerable letters, need not necessarily lose anything at all?

THE PRESIDENT: I should say you are absolutely right but I hesitate to say

so on the record for fear somebody would start a boom in North American stock. (Laughter)

Q Mr. President, is there any thought of abandoning the Banking Bill?

THE PRESIDENT: No.

Q Will one of your Messages be on that Bill?

THE PRESIDENT: I cannot tell you right now.

Q Aubrey Williams, addressing the Governors down at Biloxi (?) gave them a very detailed picture of the relief set-up. He said that in the four billions available July 1st, a billion eight hundred million have been allotted for CCC camps, highways, and so forth, and that that would take care of a million men, leaving two and a half million men to be taken care of with the rest, and he said that as a simple matter of arithmetic that left $880 a man. Is that a substantially correct analysis of the thing?

THE PRESIDENT: That is substantially correct if we assume that the whole of the billion eight that has been allotted -- all of it has not been -- assuming that the whole billion eight is spent in accordance with the program and we do not make any savings in the actual expenditure of it.

Q Under an eleven hundred dollar or fourteen hundred dollar limitation they could not eliminate grade crossings, since it takes about two thousand dollars?

THE PRESIDENT: That is a separate proposition. The grade crossing will cost more than fourteen hundred dollars. The fourteen hundred applies to highways and not to grade crossings.

Q Mr. Secretary, the preliminary instructions applied to both?

THE PRESIDENT: We are going to try to do it. We are being as tightwad as we can in the beginning.

Q When did you become "Mr. Secretary"?

THE PRESIDENT: Well, I was, once. (Laughter)

Q We have been looking for a statement of the tentative state allotments from the four billion dollar fund. I understand it has been revised. Are they going to give out the rough allocation of money by states?

THE PRESIDENT: I don't know. I will have to ask Harry Hopkins or Frank Walker. I can't see any reason why rough figures cannot be given, as long as they are rough figures.

Q Any new claim been submitted to you on Central Valley Water Project, California?

THE PRESIDENT: No, nothing since then. I believe they are studying it with the general picture of California as a whole problem in mind. If they can work in something on the Central Valley in accordance with the state plan, we want to do it.

Q It isn't out the window yet, is it?

THE PRESIDENT: If we can do any actual work on it on a low per capita basis, that is perfectly all right.

CONFIDENTIAL
Press Conference #215,
Executive Offices of the White House,
June 26, 1935, 10.50 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: Ah, we are looking very beautiful this morning. Look at all those lovely new suits.

Q You have a new one?

THE PRESIDENT: Oh, that is a very old one.

Q Where is that brown one?

THE PRESIDENT: That is put away for the summer.

Q The Senator has on his Pimlico suit this morning, Mr. President. (Laughter)

Q He left the elk's tooth off that. (Laughter)

THE PRESIDENT: When do we get racing again in this section?

Q In the fall.

THE PRESIDENT: About the fifteenth of September?

Q Somewhere in there.

THE PRESIDENT: I will have to go over there; I have not been to these local tracks for a good many years.

Q They have beautiful parks over here.

THE PRESIDENT: Yes. I used to go in the old days, many times. I broke about even, which is pretty good.

Q Very good, I should say; more than I could ever do.

THE PRESIDENT: We are having an intimate discussion in the front row on how to break even on the race track.

Q Mr. President, have you taken -- made any endorsement of a specific Merchant Marine Bill?

THE PRESIDENT: No, I have not. To tell you the honest truth, I have not

read it yet. I am talking with some of them in the next couple of days. I am in the position I was two weeks ago.

Q You mean the Bland-Copeland Bill?

THE PRESIDENT: Yes, just the way I was two weeks ago.

Q Have you any plans for the Fourth of July?

THE PRESIDENT: Probably stay right here and work.

Q Are you familiar with the Hidden Bar Bill? It passed both Houses of Congress. It would let the boys mix their drinks in public.

THE PRESIDENT: No.

Q In the District it is a crime for a bartender to mix a drink in view of the public.

THE PRESIDENT: What is the idea?

Q George Allen says it is your idea. (Laughter)

THE PRESIDENT: Will you tell George it is a new one on me.

Q The bill is coming to you. Would you like to sign it?

THE PRESIDENT: What does it do?

Q If a customer desiresit, it permits the bartender to come out and shake his drinks in public.

THE PRESIDENT: I think it is a good idea. Also some of the customers may be certain, you know, that there is a tax stamp on the bottle.

Q Yes.

Q The customers may think that they are getting skinned.

Q Will you tell us what you talked about to Pecora yesterday?

THE PRESIDENT: No.

Q Do you anticipate that farm prices can be made to reach and maintain parity without Government benefit payments?

THE PRESIDENT: You mean assistance? Don't call it "benefit payments."

They could not do it without some form of Government help. It is perfectly impossible. That has been demonstrated during many sad years.

Q If they do not pass the joint resolution with amendments by Saturday and the whole lapses, then do we have to pay a gasoline tax on Monday, or are all those taxes void?

THE PRESIDENT: Let me ask you a question: What made you think they were going to pass the new tax measure by Saturday?

Q Well, they -- you mean to say you do not think they will get the resolution by Saturday? (Laughter)

THE PRESIDENT: What made you assume that there was any possibility of passing a complete new tax measure for these three recommendations by Saturday?

Q That is what Harrison (Senator Pat Harrison) indicated, that it is costing you a million and a half a day if it is not passed.

THE PRESIDENT: Did Harrison say it would be passed on Saturday?

Q He hoped so.

Q I heard him say so, Mr. President, too.

Q It is quoted in the Record.

THE PRESIDENT: I did not know he said it. In other words, there have been quite a few intimations in just a few papers that the plan was to pass this complete tax bill by Saturday. I have never said anything to that effect and you can go back and look at the record.

Q Have you any ideas on when it might be passed?

THE PRESIDENT: Now, you are getting in the realm of speculation. Nobody has ever intimated that in any shape, manner or form from the White House, nor was it suggested during the meeting the other night at the White House. You know who was there at the meeting, the Vice

President, Senator Robinson, Senator Harrison, et cetera. Nobody ever suggested in that meeting that they would pass through Congress a tax measure by Saturday, with these three new taxes in it. Nobody even mentioned that. In other words, the stories, I am sorry to say, were made out of whole cloth.

Q This procedure will cost the Government a million and a half dollars a day, won't it?

THE PRESIDENT: Not necessarily.

Q If you don't pass by Saturday, the nuisance taxes will expire?

THE PRESIDENT: Use your own imagination. Not necessarily.

Q Does that mean you might put through the nuisance taxes and take up the other separately?

THE PRESIDENT: That is always a possibility.

Q What about a continuing resolution on the nuisance?

THE PRESIDENT: That is a possibility.

Q Do you favor putting it in as a Senate amendment or initiating a resolution in the House?

THE PRESIDENT: That is a question of procedure.

Q Is your program designed for revenue or a better social order?

THE PRESIDENT: Both; two things -- revenue and a better social order.

Q This is merely the first step of the social order?

THE PRESIDENT: I have not sent any Message to the Congress other than the one of last week. You can't pin me down on those things.

Q Various newspaper descriptions have been applied to that plan. Do you have any preference?

THE PRESIDENT: No, that is up to the Congress.

Q You do want this new tax at this session?

THE PRESIDENT: Yes, I said so in the Message.

Q Does Mr. Garner still oppose the constitutional amendment for taxing Government securities?

THE PRESIDENT: I did not know he was.

Q The Record so indicates.

THE PRESIDENT: Which record?

Q He led the fight in the House when they allowed it the first time and he led it the second time, when it was defeated.

THE PRESIDENT: When was that?

Q 1932 and 1933.

Q Do you say that it will be left to the Congress?

THE PRESIDENT: Yes. I have made recommendations of principal policy.

Q Would you favor prolonged hearings on the measures in the Capitol?

THE PRESIDENT: That is up to them.

Q Do you think those rates (taxes) achieve a social purpose?

THE PRESIDENT: What rates?

Q Those given out on the Hill?

THE PRESIDENT: I have not even read them.

Q The ones which bring in new revenue of 340 million dollars?

THE PRESIDENT: I do not know; I have not read them. How can I tell you?

Q The one reaction on the Hill is that they might bring revenue but they won't bring the new social order -- not the new social order but -- (Laughter)

THE PRESIDENT: I am sorry that I cannot talk about those things up on the Hill because they shift every hour. Now, nothing has come out of the White House -- let us make that perfectly clear -- since the Message went up to the Congress, except what happened the other night and a statement was given to all of you by Senator Robinson. That is

all that has come out of the White House. I have to say that in fairness to myself.

Q We would like to get it clear that you want these three items to pass this session?

THE PRESIDENT: Yes. I recommended, in the Message, the passage of three items. I also recommended the study of two other items.

Q You didn't say anything about three items this session?

THE PRESIDENT: Of course. Heavens above -- I am not Congress, I am just an innocent, peaceful little fellow down here that makes recommendations. I do not think -- I do not think -- what, Stevie?

Q (Mr. Stephenson) What did you think of the fight last night? (Laughter)

Q You will get in some revenue (from that) anyway. (Laughter)

THE PRESIDENT: I will talk to you about it privately. (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #216,
Executive Offices of the White House,
June 28, 1935, 4.25 P.M.

THE PRESIDENT: Sorry to keep you waiting but we have been telling stories in the Cabinet. I do not know whether you could hear our shouts.

The last fifteen minutes was just one continuous roar of laughter.

Q Were you telling them?

THE PRESIDENT: No, the Vice President was.

Q We ruined the cooling system up there (indicating the ceiling), there were so many of us.

THE PRESIDENT: Is it terribly hot out?

Q Ninety in the shade.

THE PRESIDENT: How much?

Q Ninety in the shade.

THE PRESIDENT: That wasn't as bad as it was yesterday -- 100 on this porch, in the shade.

Q Are you going away tomorrow?

THE PRESIDENT: No, staying here; too hot.

Q Didn't they call you up from the Hill yet to tell you it was hot?

THE PRESIDENT: Not yet; that takes a week.

MR. DONALDSON: All in.

THE PRESIDENT: Isn't this a lovely climate?

Q In here, it is.

Q Mr. President, there are some reports from the Hill that you are indifferent to the fate of the Utility Bill and are willing to let it slide this year. Can you tell us anything about it, whether they are true or just what the situation is down this end of the town?

THE PRESIDENT: The situation is the same. I am very keen for it and very strong for it. More so than before, if it were possible. And I notice that some people have been talking again about the "death sentence". The trouble is that they have got the timing wrong. The unfortunate stockholders of some of these big public utility holding companies that are spread all over the country -- I am not talking about the intra-state one, I am talking about the inter-state ones, of which there are only nine or ten -- those stockholders were and are today under a death sentence and have been for some time. This bill, for those stockholders, is an emancipation proclamation.

We are going to give them a chance to live instead of going to the death-house to which they are rapidly headed under the present conditions. We are trying to save their dollars and we propose to do it.

You will remember that the other day I used the illustration about the fact that all of these parasite companies between the operating companies and the top holding company are taking away the money that belongs to the stockholders and the holding company.

Now, by a very simple process as we all know, they have several different methods under this bill by which they can eliminate those parasite companies and get a great deal more in the way both of dividends and of equity. It is a simple question of mathematics.

Then, of course, the bill does another thing and that is another reason why I am supporting it so strongly. It will restore to the separate localities in this country some right to control their own utilities. At the same time it will take away power, political and otherwise, the kind we have seen exercised over State legislatures and, in the past, in Washington -- not the present -- power over the

Congress of the United States itself through the most powerful, dangerous lobby -- we all know it; heavens, we are not children -- that has ever been created by any organization in this country. You talk about a labor lobby. Well, it is a child compared to this utility lobby. You talk about a Legion lobby. Well, it is an infant in arms compared to this utility lobby.

The deliberate falsifications they have been handing out about the "death sentences" -- most people are not deceived by them, some people are scared by it, but very few people are honestly deceived by it.

This bill, if it goes through, is going to restore a great deal of control to the people who live in the different regions, different localities in this country over the things they use in their own homes every day and it is going to take away, by the same token, a great deal of power from people like the Insulls and people like the individuals who control the nine or ten large spread-eagle holding companies in New York City. Yes, it is going to take a lot of control away from them, politically and otherwise. I suppose that is the best answer I can make to the question and be fairly conclusive.

Q When you say "the Bill", you mean the Senate bill?

THE PRESIDENT: I mean the Senate bill.

Q That means you would like to see the House bill brought into line?

THE PRESIDENT: Brought into line with the Senate bill.

Q Does that forecast a veto if it goes through with the --

THE PRESIDENT: (interposing) I am talking about today, Friday, the twenty-eighth of June.

Q Can you give us an outline of what is yet to come on your legislative

program or has everything been shut up so far as this year is concerned?

THE PRESIDENT: If you will run the whole thing, I will tell you just what I have in mind, but I am always afraid that the headlines -- you people are not responsible for them -- it is awfully hard to get this thought that I am going to give you in a headline. I haven't got in mind at the present time any further Message that I might send to the Congress. Again, this is the twenty-eighth of June. Things may come up that might require a Message and I don't want to be put into the situation of having the headlines say that the President announced no more Messages to the Congress and then have something turn up two weeks from now where I might have to send a Message and then have some editor come up and say, "The President is going back on his word." The situation is very, very simple. I haven't any more at the present time to send to Congress but that does not mean I won't have a Message to send up to Congress.

Q Would it be a wrong interpretation to say that you have no business to send up?

THE PRESIDENT: I have no new business but, of course, some new business may come up before Congress goes out.

Q When do you expect to get Congress off your hands?

THE PRESIDENT: I do not know. Let us talk it over next Wednesday; we will know a little bit more.

Q General Johnson is in town and I understand he is very wroth over the fact that Ed McGrady has not been released to go up to New York City.

THE PRESIDENT: I will tell you; all that happened was very, very simple. I do not know what has happened in the past twenty-four or forty-eight

hours but when Hugh Johnson was down here he called on me and he asked and I said, "No, I want to keep him as Assistant Secretary of Labor, but if we can spare him for a short time each week, for as much time as we can possibly spare him, he can run up to New York and help you. We will be delighted, but he cannot get out of being Assistant Secretary of Labor." Hugh said, "All right, so long as he can help me in this picture."

Q You have not heard anything about this week?

THE PRESIDENT: No.

Q On this legislative program, further N. R. A. legislation is not necessarily barred?

THE PRESIDENT: Not necessarily. It is still in the study stage. It is very much in the study stage. I am still talking -- I talked with Bill Green this morning and I talked with Henry Harriman (U. S. Chamber of Commerce) and I talked with various people about it. It is still so much in the study stage that I cannot say any more than that.

Q Are you inclined to intervene again -- use your good offices in the coal situation?

THE PRESIDENT: I have not heard; I expect to hear tonight. Of course, what we are hoping is that some form of coal bill will be reported out of Committee in the House. They are working in perfectly good faith and expect to get something out in a few days.

Q The present truce expires Saturday night.

THE PRESIDENT: I hope it will be continued for a little while.

Q Do you expect the railroad bankruptcy legislation at this session of Congress?

THE PRESIDENT: I have not heard a word about that bill in the last month.

There is a bill up there, Eastman's bill, isn't it?

Q Yes, sir.

THE PRESIDENT: I do not know what the status is.

Q Mr. President, what progress has been made by the Cabinet Committee in studying the textile situation?

THE PRESIDENT: All I had was in the paper, that they are nearly ready to report.

Q Did the Treasury draw up the new tax schedule that went up to Congress as inheritance taxes?

THE PRESIDENT: Not that I know of; I do not think so.

Q Can you tell us about your talk on the road allocations?

THE PRESIDENT: Only this, that there is a delegation coming in -- they were to come in today but they are busy on the Hill and coming in Monday. Out of, as I remember it, the $4,000,000,000. bill, it carried approximately $800,000,000. for highways and grade crossings and there was also the provision for 25 per cent to be spent on farm-to-market roads. We are working now on a schedule which will mean a good deal more than 25 per cent on farm-to-market roads. That is in line, of course, with the general idea of keeping the cost per man down because on a farm-to-market road you employ more people per dollar than you do on a four-way concrete road.

Q That is just a dirt road, or is the farm-to-market road a dirt and gravel road? That does not mean any surfacing?

THE PRESIDENT: Now you are getting down to technicalities. Would you call a sand-clay road, with oil on it, a hard surface road?

Q No, I would not.

THE PRESIDENT: There are so many terminologies for it. Some will be that

type, some will be sand base with gravel. Some will have oil, some won't. It depends on local materials.

Q I meant the Georgia clay situation?

THE PRESIDENT: No, we did not talk about that; we talked about the general subject of dirt roads.

Q Will you let us use that about lobbying in direct quotes?

THE PRESIDENT: No, not direct quotes; indirectly, yes.

Q Thank you, Mr. President.